

SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

Form S-3  
 REGISTRATION STATEMENT  
 Under  
 THE SECURITIES ACT OF 1933

<p>HALLIBURTON COMPANY          (Exact Name of Registrant as Specified in its Charter)          75-2677995          (I.R.S. Employer Identification No.)          Delaware          (State of incorporation)            3600 Lincoln Plaza          500 North Akard Street          Dallas, Texas 75201          (214) 978-2600          (Address, including zip code, and telephone number,          including area code, of Registrant's          principal executive office)</p>	<p>HALLIBURTON CAPITAL TRUST I          (Exact Name of Registrant as Specified in its Charter)          Applied For          (I.R.S. Employer Identification No.)          Delaware          (State of organization)          c/o Halliburton Company          3600 Lincoln Plaza          500 North Akard Street          Dallas, Texas 75201          (214) 978-2600          (Address, including zip code, and telephone number,          including area code, of Registrant's          principal executive office)</p>
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With a copy to:

<p>Lester L. Coleman, Esq.          Executive Vice President and General Counsel          Halliburton Company          3600 Lincoln Plaza          500 North Akard Street          Dallas, Texas 75201          (214) 978-2600          (Name, address, including zip code, and telephone          number, including area code, of agent for service)</p>	<p>William E. Joor III          Vinson &amp; Elkins L.L.P.          First City Tower          1001 Fannin Street          Houston, Texas 77002-6760          (713) 758-2582          (Name, address, including zip code, and telephone          number, including area code, of agent for service)</p>
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Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this Registration Statement.

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

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. [X]

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Proposed maximum aggregate offering price (1)(2)(3)(4)	Amount of registration fee (9)
Debt Securities.....		
Common Stock (5).....		
Stock Purchase Contracts.....		
Stock Purchase Units.....		
Preferred Stock.....		
Depository Shares (6).....		
Warrants.....		
Trust Preferred Securities of Halliburton Capital Trust I.....		
Guarantee of Trust Preferred Securities of Halliburton Capital Trust I (7)		
Trust Debentures (8).....		
<b>Total.....</b>	<b>\$1,000,000,000</b>	<b>\$11,727.27(9)</b>

(1)Not specified as to each class of securities to be registered pursuant to General Instruction II(D) to Form S-3.

- (2) This Registration Statement also covers an indeterminate amount of securities that may be issued in exchange for, or upon conversion or exercise of, any securities registered hereunder that provide for conversion, exercise or exchange. Any securities registered hereunder may be sold separately or as units with other securities registered hereunder.
- (3) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o).
- (4) The proposed maximum offering price per unit will be determined from time to time by the Registrants in connection with, and at the time of, the issuance by the Registrants of the securities registered hereunder.
- (5) Each share of common stock registered hereunder includes an associated preferred share purchase right, which is not exercisable and is not separately tradable until specified events occur. No separate consideration will be received for the preferred share purchase rights.
- (6) The depositary shares registered hereunder will be evidenced by depositary receipts issued pursuant to a deposit agreement. If the Registrants elect to offer to the public fractional interests in shares of preferred stock, then depositary receipts will be distributed to those persons purchasing the fractional interests and the shares will be issued to the depositary under the deposit agreement.
- (7) Includes the rights of holders of the trust preferred securities under the guarantee of trust preferred securities and back-up undertakings, consisting of obligations by Halliburton Company, as described in the declaration of trust, the applicable indenture and any supplemental indenture thereto, in each case as further described in the Registration Statement. No separate consideration will be received for any guarantees or any back-up undertakings.
- (8) Trust debentures may be issued and sold to the Halliburton Capital Trust I, and the trust debentures may later be distributed to the holders of trust preferred securities.
- (9) Calculated pursuant to Rule 457(o) at the statutory rate of \$239 per \$1,000,000 of securities registered and, pursuant to Rule 457(p), minus the filing fee of \$227,272.73 previously paid on July 7, 1997 by Dresser Industries, Inc., a wholly owned subsidiary of Halliburton Company, in connection with a Registration Statement on Form S-3 (No. 333-30817) that was subsequently withdrawn. The aggregate principal amount of debt securities may be increased if any debt securities are issued at an original issue discount by an amount such that the offering price to be received by the Registrants shall be equal to the amount to be registered.

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

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[Logo of Halliburton Company]

HALLIBURTON COMPANY

\$1,000,000,000  
Debt Securities, Common Stock,  
Stock Purchase Contracts, Stock Purchase Units,  
Preferred Stock, Depositary Shares,  
Warrants, Trust Debentures  
and Guarantee of Trust Preferred Securities

HALLIBURTON CAPITAL TRUST I

Trust Preferred Securities  
Guaranteed by Halliburton Company

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We may offer and sell, from time to time:

- . debt securities;
- . shares of common stock;
- . shares of preferred stock, which may be issued as depositary shares evidenced by depositary receipts;
- . warrants to purchase debt securities, preferred stock, depositary shares or common stock;
- . stock purchase contracts;
- . stock purchase units;
- . trust debentures to be purchased by the Halliburton Capital Trust I; or
- . a guarantee of trust preferred securities sold by the Halliburton Capital Trust I.

The Halliburton Capital Trust I may offer and sell, from time to time, trust preferred securities representing undivided beneficial interests in the assets of the Halliburton Capital Trust I. The aggregate initial public offering prices of the securities offered by Halliburton Company and the Halliburton Capital Trust I will not exceed \$1,000,000,000.

You should carefully consider the matters discussed under the caption "Risk Factors" beginning on page 7.

This prospectus provides you with a general description of the securities that may be offered. Each time securities are sold, we will provide a supplement to this prospectus that contains specific information about the offering and the terms of the securities. The supplement may also add, update or change information contained in this prospectus. You should carefully read this prospectus and any supplement before you invest in any of our securities.

Our common stock is listed on the New York Stock Exchange under the symbol "HAL."

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

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This prospectus is dated \_\_\_\_\_, 200\_

The information in this prospectus is not complete and may be changed. We may not sell these securities until the Registration Statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any state where the offer or sale is not permitted.

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We have not authorized any dealer, salesman or other person to give any information or to make any representation other than those contained or incorporated by reference in this prospectus and the accompanying prospectus supplement. You should only rely upon any information or representation contained or incorporated by reference in this prospectus or the accompanying prospectus supplement. This prospectus and the accompanying prospectus supplement is only an offer to sell or a solicitation of an offer to buy the registered securities to which they relate. This prospectus and the accompanying prospectus supplement are not an offer to sell or a solicitation of an offer to buy securities in any jurisdiction to any person to whom it is unlawful to make an offer or solicitation in that jurisdiction. The information contained in this prospectus and the accompanying prospectus supplement is accurate as of the dates on their covers. When we deliver this prospectus or a prospectus supplement or make a sale pursuant to this prospectus, we are not implying that the information is current as of the date of the delivery or sale.

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement on Form S-3 that we filed with the Securities and Exchange Commission, which we refer to as the "SEC," using a "shelf" registration process. Under this shelf process, we may, over time, sell any combination of the securities described in this prospectus in one or more offerings up to a total dollar amount of \$1 billion or the equivalent denominated in foreign currencies. This prospectus provides you with a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. This prospectus does not contain all of the information included in the registration statement. For a complete understanding of the offering of securities, you should refer to the registration statement relating to this prospectus, including its exhibits. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with additional information described under the heading "Where You Can Find More Information."

In this prospectus, references to "Halliburton," "the Company," "we," "us" and "our" refer to Halliburton Company, and not to the Halliburton Capital Trust I, unless we state otherwise or the context indicates otherwise. References to the "Trust" refer to the Halliburton Capital Trust I.

#### WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the SEC under the Securities Exchange Act of 1934. You may obtain copies of this information by mail from the Public Reference Room of the SEC, 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. You may obtain information on the operation of the Public Reference Room by calling the SEC at (800) SEC-0330.

The SEC also maintains an internet web site that contains reports, proxy statements and other information about issuers, like us, who file reports electronically with the SEC. The address of that site is <http://www.sec.gov>.

You may also inspect reports, proxy statements and other information about us at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

#### INFORMATION WE INCORPORATE BY REFERENCE

The SEC allows us to incorporate by reference the information we file with them, which means:

- . documents so incorporated are considered part of the prospectus;
- . we can disclose important information to you by referring you to those documents; and
- . information that we file with the SEC in the future will automatically update this prospectus.

We incorporate by reference the documents listed below which we have previously filed with the SEC under the Securities Exchange Act of 1934:

- . The description of our common stock contained in our Registration Statement on Form 8-B, as filed with the SEC on December 12, 1996.
- . The description of our preferred stock purchase rights contained in our Registration Statement on Form 8-B, as filed with the SEC on December 12, 1996.
- . Our Annual Report on Form 10-K for the year ended December 31, 2000.
- . Our Quarterly Report on Form 10-Q for the quarter ended March 31, 2001.
- . Our Quarterly Report on Form 10-Q for the quarter ended June 30, 2001.
- . Our Quarterly Report on Form 10-Q for the quarter ended September 30, 2001.
- . Our Current Reports on Form 8-K or Form 8-K/A, filed with the SEC on January 2, 2001, January 3, 2001, February 2, 2001, February 2, 2001, February 20, 2001, March 6, 2001, March 13, 2001, March 23, 2001, April 11, 2001, April 27, 2001, May 1, 2001, May 10, 2001, May 16, 2001, June 7, 2001, June 29, 2001, July 12, 2001, July 20, 2001, July 27, 2001, July 27, 2001, October 19, 2001, October 26, 2001 and October 30, 2001, November 6, 2001, November 7, 2001 and November 27, 2001.

We also incorporate by reference each of the documents that we file with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after the date of this prospectus until we sell all of the securities described in this prospectus.

You may request a copy of these filings (other than an exhibit to a filing unless that exhibit is specifically incorporated by reference into that filing) at no cost, by writing or telephoning us at the following address:

Halliburton Company  
3600 Lincoln Plaza  
500 North Akard Street  
Dallas, Texas 75201  
Attention: Investor Relations  
(214) 978-2600

Our web site address is [www.halliburton.com](http://www.halliburton.com). The information on our web site is not incorporated by reference into this prospectus.

#### UNCERTAINTY OF FORWARD-LOOKING STATEMENTS

In this document, we make forward-looking statements that include assumptions as to how we may perform in the future. You will find many of these statements:

- . in the documents incorporated by reference under "Incorporation of Certain Documents by Reference" in this prospectus; and
- . under "Halliburton" and "Use of Proceeds."

Also, when we use words like "may," "may not," "believes," "does not believe," "expects," "does not expect," "anticipates," "does not anticipate" and similar expressions, we are making forward-looking statements. These statements should be viewed with caution.

The Private Securities Litigation Reform Act of 1995 provides safe harbor provisions for forward-looking information. Forward-looking information is based on projections and estimates, not historical information. Some statements in this prospectus and the accompanying prospectus supplement are forward-looking. Forward-looking information involves risks and uncertainties. Forward-looking information that we provide reflects our best judgment based on current information. Our results of operations can be affected by inaccurate assumptions that we make or by known or unknown risks and uncertainties. In addition, other factors may affect the accuracy of our forward-looking information. As a result, no forward-looking information can be guaranteed. Actual events and the results of operations may vary materially.

While it is not possible to identify all factors, we continue to face many risks and uncertainties that could cause actual results to differ materially from the results expressed or implied by our forward-looking statements including:

#### Geopolitical and Legal

- . trade restrictions and economic embargoes imposed by the United States and other countries;
- . unsettled political conditions, war, the effects of terrorism, civil unrest, currency controls and governmental actions in the numerous countries in which we operate;
- . operations in countries with significant amounts of political risk, including, for example, Algeria, Angola, Libya, Nigeria, and Russia;
- . changes in foreign exchange rates;
- . changes in governmental regulations in the numerous countries in which we operate including, for example, regulations that:
  - . encourage or mandate hiring local contractors; and

- . require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction;
- . litigation, including, for example, contract disputes, asbestos litigation, insurance litigation, and environmental litigation; and
- . environmental laws, including, for example, those that require emission performance standards for facilities;

#### Weather Related

- . the effects of severe weather conditions, including, for example, hurricanes and tornadoes, on operations and facilities; and
- . the impact of prolonged severe or mild weather conditions on the demand for and price of oil and natural gas;

#### Customers

- . the magnitude of governmental spending and outsourcing for military and logistical support of the type that we provide;
- . changes in capital spending by customers in the oil and gas industry for exploration, development, production, processing, refining, and pipeline delivery networks;
- . changes in capital spending by governments for infrastructure projects of the sort that we perform;
- . consolidation of customers in the oil and gas industry; and
- . claim negotiations with engineering and construction customers on cost variances and change orders on major projects;

#### Industry

- . technological and structural changes in the industries that we serve;
- . sudden changes in energy prices that could undermine the fundamental strength of the world economy or our customers;
- . changes in the price of oil and natural gas, resulting from:
  - . OPEC's ability to set and maintain production levels and prices for oil;
  - . the level of oil production by non-OPEC countries;
  - . the policies of governments regarding exploration for and production and development of their oil and natural gas reserves; and
  - . the level of demand for oil and natural gas;
- . changes in the price or the availability of commodities that we use;
- . risks that result from entering into fixed fee engineering, procurement and construction projects where failure to meet schedules, cost estimates or performance targets could result in non-reimbursable costs that cause the project not to meet expected profit margins;
- . risks that result from entering into complex business arrangements for technically demanding projects where failure by one or more parties could result in monetary penalties; and
- . the risk inherent in the use of derivative instruments of the sort that we use that could cause a change in value of the derivative instruments as a result of:

- . adverse movements in foreign exchange rates, interest rates, or commodity prices, or
- . the value and time period of the derivative being different than the exposures or cash flows being hedged;

#### Personnel and Mergers/Reorganizations/Dispositions

- . increased competition in the hiring and retention of employees in specific areas, including, for example, energy services operations, accounting and finance;
- . integration of acquired businesses into us, including:
  - . standardizing information systems or integrating data from multiple systems;
  - . maintaining uniform standards, controls, procedures and policies; and
  - . combining operations and personnel of acquired businesses with ours;
- . effectively reorganizing our operations and personnel;
- . replacing discontinued lines of businesses with acquisitions that add value and complement our core businesses; and
- . successful completion of planned dispositions.

In addition, future trends for pricing, margins, revenues and profitability remain difficult to predict in the industries we serve. In light of these risks, uncertainties and assumptions, the forward-looking statements referred to in this prospectus might not occur. We undertake no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

You should consider carefully the forward-looking statements set forth in:

- . "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business" and "Legal Proceedings" in our annual report on Form 10-K for the fiscal year ended December 31, 2000, and
- . "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our quarterly report on Form 10-Q for the period ended September 30, 2001,

which sections are incorporated in this prospectus by reference.

#### HALLIBURTON COMPANY

General. We were established in 1919. We provide energy services and engineering and construction services for the energy industry. Our revenues for the year ended December 31, 2000 were \$11.9 billion. At October 31, 2001, our market capitalization was approximately \$10.6 billion. At September 30, 2001, we employed approximately 88,000 people.

Description of Services and Products. We have two business segments:

The Energy Services Group; and

The Engineering and Construction Group.

The Energy Services Group provides a wide range of services, products and integrated solutions to customers involved in oil and natural gas exploration and production.

The Engineering and Construction Group provides a wide range of services to energy and industrial customers and government entities worldwide.

Our principal executive office is located at 3600 Lincoln Plaza, 500 North Akard Street, Dallas, Texas 75201, and the telephone number of that office is (214) 978-2600.

#### HALLIBURTON CAPITAL TRUST I

Halliburton Capital Trust I, which we refer to as the "Trust," is a business trust created under Delaware law through the filing of a certificate of trust with the Delaware Secretary of State on November 29, 2001. The Trust's business is defined in a declaration of trust, dated as of November 29, 2001, executed by us, as sponsor, and the trustees. We refer to the declaration, as amended and restated, in this prospectus as the "Trust Agreement." The Trust Agreement has been qualified under the Trust Indenture Act of 1939.

The Trust exists for the exclusive purposes of:

- . issuing and selling the trust preferred securities and trust common securities;
- . using the proceeds from the sale of the trust preferred securities and trust common securities to acquire the trust debentures; and
- . engaging in only those other activities necessary, advisable or incidental to these purposes.

The Trust's business and affairs will be conducted by its trustees, as provided in the Trust Agreement. The trustees for the Trust will be initially JPMorgan Chase Bank, as the property trustee, Chase Manhattan Bank USA, National Association, as the Delaware trustee, and three of our employees, as administrative trustees. The property trustee and the Delaware trustee, together with the administrative trustees, are collectively referred to as the "Trust Trustees" in this prospectus. The holder of the common securities of the Trust or, if an event of default under the Trust Agreement has occurred and is continuing, the holders of not less than a majority in liquidation amount of the trust preferred securities, will be entitled to appoint, remove or replace the property trustee and the Delaware trustee. In no event will the holders of the preferred securities have the right to vote to appoint, remove or replace the administrative trustees. The voting rights with respect to the latter will be vested exclusively in us as the holder of the trust common securities.

The Trust will have no assets other than the trust debentures. The Trust will have no revenue other than payments under the trust debentures. The Trust has a term of 35 years, but may dissolve earlier as provided in the Trust Agreement.

We will, directly or indirectly, acquire all of the trust common securities, which will have an aggregate liquidation amount equal to at least 3% of the total capital of the Trust.

For so long as the trust preferred securities remain outstanding, we will:

- . maintain directly or indirectly 100% ownership of the trust common securities;
- . use our reasonable efforts to maintain the Trust as a statutory business trust and not to dissolve, wind-up, liquidate or terminate the Trust, except as permitted by the Trust Agreement;
- . use our reasonable efforts to ensure that the Trust will not be an "investment company" for purposes of the Investment Company Act of 1940;
- . use our reasonable efforts to cause the Trust to continue to be treated as a grantor trust and not an association taxable as a corporation for United States federal income tax purposes; and

- . use our reasonable efforts to cause each holder of common securities or preferred securities of the Trust to be treated as owning an undivided beneficial interest in the trust debentures.

The rights of the holders of the trust preferred securities are described in the Trust Agreement and the Delaware Business Trust Act. The location of the principal executive office of the Trust is c/o Halliburton Company, 3600 Lincoln Plaza, 500 North Akard Street, Dallas, Texas 75201, and its telephone number is 214-978-2600.

#### RISK FACTORS

##### Risks Specific to Halliburton

Demand for our services and products depends on oil and gas industry activity and expenditure levels that are directly affected by trends in oil and natural gas prices. A prolonged downturn in oil and gas prices could have a material adverse effect on our consolidated results of operations and consolidated financial condition.

Demand for our products and services is particularly sensitive to the level of development, production and exploration activity of, and the corresponding capital spending by, oil and natural gas companies. Prices for oil and gas are subject to large fluctuations in response to relatively minor changes in the supply of and demand for oil and gas, market uncertainty and a variety of other factors that are beyond our control. Any prolonged reduction in oil and natural gas prices will depress the level of exploration, development and production activity. Lower levels of activity result in a corresponding decline in the demand for our oil and gas well services and products that could have a material adverse effect on our revenues and profitability. Factors affecting the prices of oil and natural gas include:

- . governmental regulations;
- . global weather conditions;
- . worldwide political, military and economic conditions, including the ability of OPEC to set and maintain production levels and prices for oil and gas;
- . the level of production by non-OPEC countries;
- . the policies of governments regarding the exploration for and production and development of their oil and natural gas reserves; and
- . the level of demand for oil and natural gas.

Historically, the markets for oil and gas have been volatile and are likely to continue to be volatile in the future.

Spending on exploration and production activities and capital expenditures for refining and distribution facilities by large oil and gas companies have a significant impact on the activity levels within our two business segments. Through the first nine months of 2001, increased customer spending contributed to higher levels of worldwide drilling activity, especially gas drilling in the United States. In the latter part of the third quarter of 2001, drilling activity levels in the United States began to decline as prices for oil and natural gas decreased due to decreased economic activity.

Drilling activity increases in the earlier part of the year in North America generated much of the growth in demand for our products and services through the first nine months of 2001. Softening industrial use and reduced power generation over the summer months resulted in higher gas storage levels which placed downward pressure on natural gas prices. Gas activity declines followed, primarily late in the third quarter. Internationally, crude oil prices have remained at levels satisfactory to provide increasing levels of capital spending and drilling, primarily

by major oil and gas companies, including national oil companies. Generally, international oil and gas field development projects, particularly deep water projects in West Africa and Brazil, have longer lead times, economics based on longer-term commodity prices and are less likely to be delayed due to fluctuating short-term prices.

In the short-term, we expect gas drilling activity in the United States to continue to decline into early 2002. The severity of the winter months in North America will be a key factor in the degree of the activity decline and the timing of the eventual recovery. If prices for oil remain stable as compared to third quarter prices, we expect large deep water projects to continue to provide opportunities. Over the longer-term, we expect increased global demand for oil and natural gas, additional spending to replace depleting reserves and continued technological advances in our products and services to provide growth opportunities for our products and services.

There are risks to our acquisition strategy. If we are unable to integrate and manage successfully businesses that we have acquired and any businesses acquired in the future, our consolidated results of operations and consolidated financial condition could be affected.

One of our business strategies is to acquire operations and assets that are complementary to our existing businesses. Acquiring these operations and assets involves financial, operational and legal risks, including:

- . increased levels of goodwill subject to potential impairment;
- . increased interest expense;
- . increased financial leverage or decreased operating income;
- . the difficulty of combining operations and personnel of the acquired businesses with ours; and
- . the difficulty of maintaining uniform standards, controls, procedures and policies.

In addition, other potential buyers compete with us for acquisitions of businesses. Competition could cause us to pay a higher price for acquisitions than we otherwise might have to pay or reduce our acquisition opportunities. We might be unsuccessful in identifying attractive acquisition candidates, completing and financing additional acquisitions on favorable terms or integrating the acquired businesses or assets into our operations.

A significant portion of our revenue is derived from our non-U.S. operations, which exposes us to risks inherent in doing business in each of the more than 100 other countries in which we transact business. The occurrence of any of the risks described below could have an adverse effect on our consolidated results of operations and consolidated financial condition.

Our operations in more than 100 countries other than the United States accounted for approximately 70% of our consolidated revenues during 1999 and 66% of our consolidated revenues during 2000. Operations in countries other than the United States are subject to various risks peculiar to each country. With respect to any particular country, these risks may include:

- . expropriation and nationalization;
- . political and economic instability;
- . armed conflict and civil disturbance;
- . currency fluctuations, devaluations and conversion restrictions;
- . confiscatory taxation or other adverse tax policies;
- . governmental activities that limit or disrupt markets, restrict payments or the movement of funds; and
- . governmental activities that may result in the deprivation of contract rights.

Our ability to compete outside of the United States may be adversely affected by governmental regulations promulgated in numerous countries in which we transact business. If these regulations apply to us, they may require us to engage in business practices that may not be to our benefit.

Those kinds of regulations frequently:

- . encourage or mandate the hiring of local contractors; and
- . require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

In addition, we are subject to taxation in many jurisdictions, and the final determination of our tax liabilities involves the interpretation of the statutes and requirements of taxing authorities worldwide. Foreign income tax returns of foreign subsidiaries, unconsolidated affiliates and related entities are routinely examined by foreign tax authorities. These tax examinations may result in assessments of additional taxes or penalties or both.

A sizable portion of our consolidated revenues and consolidated operating expenses are in foreign currencies. As a result, we are subject to significant foreign exchange risks that could adversely affect our operations, as well as limit our ability to reinvest earnings from operations in one country to fund the capital needs of our operations in other countries.

We do business in countries that have non-traded or "soft" currencies which have restricted or limited trading markets. We may accumulate cash in soft currencies and we may be limited in our ability to convert our profits into U.S. dollars or to repatriate the profits from those countries.

We selectively use hedging transactions to limit our exposure to risks from doing business in foreign currencies. We have developed risk management policies that establish guidelines for managing foreign exchange risk. As part of these policies, we have designed a reporting process to monitor the potential exposure on an ongoing basis. We use this process to determine the extent of our foreign currency exposure and to determine whether it is practical or economical to execute financial hedges. For those currencies that are not readily convertible, our ability to hedge exposure is limited because financial hedge instruments for those currencies are nonexistent or limited. Our ability to hedge is also limited because pricing of hedging instruments, where they exist, is often volatile and not necessarily efficient. To the extent that we can match the currency in which our operating revenues are denominated to that in which our operating expenses in a country are denominated, we can reduce our vulnerability to exchange rate fluctuations.

Our businesses are subject to a variety of environmental laws and regulations including those covering hazardous materials. Any failure on our part to comply with applicable environmental laws and regulations could have an adverse effect on our consolidated financial condition.

Our well service operations routinely involve the handling of significant amounts of waste materials, some of which are classified as hazardous substances. Our operations and facilities are subject to numerous environmental laws, rules and regulations of the United States and other countries, including laws concerning:

- . the containment and disposal of hazardous substances, oilfield waste and other waste materials;
- . the use of underground storage tanks; and
- . the use of underground injection wells.

Laws protecting the environment are becoming stricter. Sanctions for failure to comply with these laws, rules and regulations, many of which may be applied retroactively, may include:

- . administrative, civil and criminal penalties;
- . revocation of permits; and
- . corrective action orders.

We are a party in asbestos litigation claiming that products manufactured by, or materials used in various construction and renovation projects of, our subsidiaries or former divisions contained asbestos, resulting in injury to the plaintiffs.

At September 30, 2001, there were about 146,000 open asbestos claims asserted against us. These claims could have a material adverse effect on our financial condition if:

- . the Highland's litigation is not resolved in our favor;
- . the comprehensive insurance coverage litigation with Dresser's insurers is not resolved in Dresser's favor;
- . our estimate of amounts that we will recover from our insurance carriers proves to be incorrect; or
- . the cost of defending and resolving these claims deviates significantly from Halliburton's historical experience.

We estimate our net liability for known open asbestos claims at September 30, 2001 to be \$125 million. More detailed information related to Halliburton's insurance, indemnity and asbestos litigation is described in Note 9 to the financial statements in Halliburton's Form 10-K for the fiscal year ended December 31, 2000 and in Note 7 to the quarterly financial statements in Halliburton's Form 10-Q for the quarter ended September 30, 2001.

Harbison-Walker Refractories Company was spun-off by Dresser Industries, Inc. in 1992. In the agreement related to the spin-off, Harbison-Walker agreed to assume liability for asbestos claims filed after the spin-off and it agreed to defend and indemnify Dresser from liability for those claims. In addition to the open claims described in the preceding paragraph, as of September 30, 2001, we believe there were approximately 182,000 open and unresolved post spin-off refractory claims. We believe approximately 120,000 of these post spin-off claims name Dresser as a defendant. Based on our negotiations with Harbison-Walker and our investigations, we believe Harbison-Walker is no longer financially able to perform its obligations to assume liability for post spin-off refractory claims and defend Dresser from those claims. If so, these claims could have a material adverse effect on our financial condition. Once we have verified that Dresser is a named defendant in any claims, we plan to treat these claims as open claims. More detailed information related to the Harbison-Walker litigation can be found in Note 7 to the quarterly financial statements in Halliburton's Form 10-Q for the quarter ended September 30, 2001.

In the United States, environmental laws and regulations typically impose strict liability. Strict liability means that in some situations we could be exposed to liability for cleanup costs and other damages as a result of our conduct that was lawful at the time it occurred or conduct of prior operators or other third parties.

Cleanup costs, natural resource damages and other damages arising as a result of environmental laws, and costs associated with changes in environmental laws and regulations, could be substantial and could have a material adverse effect on our consolidated results of operations. From time to time, claims have been made against our Company and its subsidiaries under environmental laws. Changes in environmental regulations may also negatively impact oil and natural gas exploration and production companies, which in turn could have a material adverse effect on us.

#### Risks Specific to Offered Securities

Risks specific to securities offered from time to time by us or the Trust pursuant to this prospectus as supplemented by a prospectus supplement will be described in the applicable prospectus supplement.

#### USE OF PROCEEDS

Unless otherwise provided in the applicable prospectus supplement, the net proceeds from the sale of the securities offered by this prospectus and the applicable prospectus supplement will be added to our general funds and used for general corporate purposes, which may include repayment of debt, acquisitions and loans and advances to, and investments in, our subsidiaries to provide funds for working capital, repayment of debt and capital expenditures. Until so utilized, it is expected that the net proceeds will be placed in interest bearing time deposits or invested in short-term marketable securities.

RATIOS OF EARNINGS TO COMBINED FIXED CHARGES AND  
PREFERENCE DIVIDENDS

The following table sets forth our consolidated ratios of earnings to combined fixed charges and preference dividends for the periods shown.

For the Nine Months Ended, Years Ended December 31,					
----- Sept. 30, 2001 (unaudited) 2000 1999 1998 1997 1996 -----					
5.1x	2.3x	2.4x	(a)	7.3x	5.6x

-----  
(a) Earnings were inadequate to cover combined fixed charges and preference dividends for the year ended December 31, 1998, by approximately \$6.0 million.

The ratios of our earnings to our combined fixed charges and preference dividends are based on continuing operations. For purposes of the ratios, "earnings" means the sum of:

- . our pre-tax income, and
- . our fixed charges, net of interest capitalized; and

"combined fixed charges and preference dividends" represent:

- . the interest we pay on borrowed funds,
- . the amount we amortize for debt discount, premium and issuance expense and interest previously capitalized,
- . that portion of rentals considered to be representative of the interest factor, and
- . the amount of pre-tax earnings that is required to pay the dividend on outstanding preference securities.

DESCRIPTION OF DEBT SECURITIES

The following description sets forth the general terms and provisions of our debt securities, consisting of debentures, notes or other evidences of indebtedness, that we may offer by this prospectus. We will describe the particular terms of the debt securities, and provisions that vary from those described below, in one or more prospectus supplements.

The debt securities will constitute either senior debt, subordinated debt or junior subordinated debt (which we refer to as "Debt Securities" in this prospectus.) As required by U.S. federal law, the Debt Securities are governed by a document called an "indenture." The indenture is a contract between us and an entity that serves as trustee. The trustee has two main roles:

- . the trustee can enforce your rights, including rights you have against us if we default; and
- . the trustee performs administrative duties for us, such as sending you interest payments, transferring your Debt Securities to a new buyer if you sell your Debt Securities and sending you notices.

Senior Debt Securities will be issued under a Second Senior Indenture dated as of December 1, 1996 between our predecessor and Texas Commerce Bank National Association (now JPMorgan Chase Bank), as trustee, as supplemented and amended by the First, Second, Third and Fourth Supplemental Indentures (the "Senior Indenture"). Subordinated Debt Securities will be issued under a Subordinated Indenture dated as of January 2, 1991 between our predecessor and the same trustee, as supplemented and amended by the First

Supplemental Indenture (the "Subordinated Indenture"). Junior Subordinated Debt Securities will be issued pursuant to a Junior Subordinated Indenture dated November 29, 2001 between us and JPMorgan Chase Bank, as trustee (the "Junior Subordinated Indenture"). The Senior Indenture, the Subordinated Indenture and the Junior Subordinated Indenture are sometimes collectively referred to in this prospectus as the "Indentures" and the trustee is referred to as the "Trustee." We have filed forms of the Senior Indenture, the Subordinated Indenture and the Junior Subordinated Indenture as exhibits to the registration statement of which this prospectus is a part.

The following description is a summary of selected provisions relating to the Debt Securities and the Indentures. The summary is not complete. You should not rely on this summary, because the Indentures define your rights as a holder of the Debt Securities. In the summary below we have included references to section numbers of the applicable Indentures so that you can easily locate these provisions.

Our trust debentures are separately described in this prospectus under the caption "Description of Trust Debentures."

#### Provisions Applicable to Senior, Subordinated and Junior Subordinated Debt Securities

General. The Debt Securities will be unsecured senior or subordinated or junior subordinated obligations of the Company and may be issued from time to time in one or more series. None of the Indentures limits the amount of Debt Securities that may be issued thereunder nor does any of them limit our aggregate unsecured indebtedness or limit the payment of dividends or the acquisition of our stock.

Our Company is a holding company, the only significant assets of which are the stock of its subsidiaries. As a consequence, any indebtedness of our Company, including Debt Securities issued under any of the Indentures, will be structurally subordinated to all of the indebtedness of our subsidiaries.

As a holding company, we rely primarily on dividends from our subsidiaries to meet our obligations for payment of principal and interest on our outstanding debt obligations and corporate expenses. Our Company is a legal entity separate and distinct from our subsidiaries. Holders of Debt Securities should look only to us for payments on the those Debt Securities.

Because we are a holding company, our right to participate in any distribution of assets of any subsidiary upon its liquidation or reorganization or otherwise (and thus the ability of holders of the Debt Securities to benefit indirectly from such distribution), is subject to the prior claims of creditors of that subsidiary, except to the extent that we are recognized as a creditor of that subsidiary. Accordingly, the Debt Securities will be effectively subordinated to all existing and future liabilities of our subsidiaries and all liabilities of any of our future subsidiaries.

Unless described in the prospectus supplement relating to a particular series of offered Debt Securities, the Debt Securities will not contain any provisions that may afford holders of the Debt Securities protection in the event of a change of control of our Company or in the event of a highly leveraged transaction, whether or not the transaction results in a change of control of our Company.

A prospectus supplement and a supplemental indenture relating to any series of Debt Securities offered by us will include specific terms relating to the offering. These terms will include some or all of the following (to the extent such terms are applicable to the offered Debt Securities):

- . the title of the offered Debt Securities;
- . classification as Senior Debt Securities, Subordinated Debt Securities or Junior Subordinated Debt Securities, aggregate principal amount, and denomination;

- . whether the offered Debt Securities are convertible into our common stock and, if so, the terms and conditions upon which such conversion will be effected including the initial conversion price or conversion rate, the conversion period and other conversion provisions in addition to or in lieu of those described in this prospectus;
- . the date or dates on which the offered Debt Securities will mature and on which other payments of principal will be payable or how to determine those dates;
- . any limit on the total principal amount of the Debt Securities;
- . the price or prices, expressed as a percentage of the principal amount, at which the Debt Securities will be issued;
- . whether any of the Debt Securities are to be issuable initially in temporary global form or permanent global form;
- . any mandatory or optional sinking fund or analogous provisions;
- . any optional redemption periods and prices;
- . the interest rate or rates (or the method by which the rates will be determined), and the dates from which interest, if any, will accrue;
- . the date or dates on which any interest will be payable;
- . the place or places where and the manner in which the principal of, premium, if any, and interest, if any, on the offered Debt Securities will be payable and the place or places where the offered Debt Securities may be presented for transfer and, if applicable, conversion;
- . our obligation, if any, to redeem, repay or purchase the offered Debt Securities pursuant to any sinking fund or analogous provisions or at the option of a holder of Debt Securities and the period or periods within which, the price or prices at which and the terms and conditions upon which the offered Debt Securities will be redeemed, repaid or purchased pursuant to that obligation;
- . any applicable United States Federal income tax consequences; and
- . any other specific terms of the offered Debt Securities, including any additional or different events of default, remedies or covenants provided with respect to such offered Debt Securities, and any terms that may be required by or advisable under applicable laws or regulations.

In addition to the terms described above, if applicable, the following terms will be described in the applicable prospectus supplement:

- . the issue price of offered Debt Securities that are original issue discount securities;
- . the amount of the original issue discount;
- . the manner and rate or rates per annum, which may be fixed or variable, at which original issue discount will accrue;
- . the yield to maturity represented by the original issue discount securities;
- . the date or dates from or to which or period or periods during which original issue discount will accrue;
- . the portion of the principal amount of such offered Debt Securities that will be payable upon acceleration of maturity or upon the optional or mandatory redemption, purchase or exchange or original issue discount securities; and
- . any other specific terms thereof.

Unless otherwise specified in any prospectus supplement, the Debt Securities will be issued only in fully registered form and in denominations of \$1,000 and any integral multiple of \$1,000 (Section 2.7). No service

charge will be made for any transfer or exchange of any Debt Securities, but we may require that you pay a sum sufficient to cover any applicable tax or other governmental charge (Section 2.8).

Debt Securities may bear interest at a fixed rate or a floating rate. Debt Securities bearing no interest or interest at a rate that at the time of issuance is below the prevailing market rate may be sold at a discount below their stated principal amount. Special United States Federal income tax considerations applicable to any discounted Debt Securities or to Debt Securities issued at par that are treated as having been issued at a discount for United States Federal income tax purposes will be described in the prospectus supplement in which we offer those debt securities.

Global Securities. The Debt Securities of a series may be issued in whole or in part in the form of one or more global securities that will be deposited with, or on behalf of, a depositary identified in the prospectus supplement relating to that series. Global securities may be issued only in fully registered form and in either temporary or permanent form. Unless and until certificated Debt Securities are exchanged in whole or in part for a global security, a global security may not be transferred except as a whole by the depositary, any successor depositary or their nominees (Section 2.8).

The specific terms of the depositary arrangement with respect to a series of Debt Securities will be described in the prospectus supplement relating to that series.

Events of Default. Unless otherwise specified in the prospectus supplement, an event of default is defined under each Indenture with respect to the Debt Securities of any series issued under that Indenture as being:

- . failure to pay any interest with respect to Debt Securities of that series when due, continued for 30 days;
- . failure to pay principal or premium, if any, with respect to Debt Securities of that series when due;
- . failure to make any sinking fund payment on Debt Securities of that series when due;
- . failure to perform any other covenant or agreement applicable to Debt Securities of that series, continued for 60 days after written notice by the Trustee or the holders of at least 25% in aggregate principal amount of the Debt Securities of that series then outstanding; and
- . specific events relating to our bankruptcy, insolvency or reorganization (Section 5.1).

If any event of default with respect to a series of Debt Securities occurs and continues for the required amount of time, the Trustee or the holders of not less than 25% of the aggregate principal amount of the Debt Securities of that series then outstanding may declare the Debt Securities of that series due and payable immediately by giving notice in writing to us (and to the Trustee, if given by the holders). The holders of a majority of the aggregate principal amount of the Debt Securities of that series then outstanding, may, however, by notice in writing to us and the Trustee, rescind the declaration if:

- . we have paid or deposited with the Trustee all amounts that have become due, otherwise than through acceleration, for principal, premium, if any, and interest, if any; and
- . all defaults under that Indenture are cured or waived (Section 5.1).

Each Indenture provides that no holder of any series of Debt Securities then outstanding may institute any suit, action or proceeding with respect to, or otherwise attempt to enforce, the Indenture, unless:

- . the holder has given to the Trustee written notice of the occurrence and continuance of a default;
- . the holders of not less than 25% of the aggregate principal amount then outstanding of that series of Debt Securities have made a written request to the Trustee to institute the suit, action or proceeding and have offered to the Trustee the reasonable indemnity it may require; and
- . the Trustee for 60 days after its receipt of the notice, request and offer of indemnity has neglected or refused to institute the requested action, suit or proceeding.

The foregoing is limited by the following rights of any holder of any Debt Securities which may not be impaired or affected without the consent of that holder:

- . the right to receive, subject to the subordination provisions applicable to the Subordinated Debt Securities and the Junior Subordinated Debt Securities, payment of the principal of, premium, if any, or interest, if any, on the Debt Securities on or after the respective due dates;
- . with respect to any convertible Subordinated Debt Security or Junior Subordinated Debt Security, the right to convert the Debt Security; and
- . in each case, the right to institute suit for the enforcement of any payment obligation or right to convert (Section 5.4).

For information as to the right of a holder of trust preferred securities to institute a direct action against us to enforce our payment obligation with respect to trust debentures issued under a supplement to the Subordinated or Junior Subordinated Indenture, see "Description of Trust Debentures--Enforcement of Rights by Holders of Trust Preferred Securities."

The holders of a majority in aggregate principal amount of the Debt Securities of a series then outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust power conferred on the Trustee if that direction is not in conflict with law or the Indenture (Section 5.7).

In determining whether the holders of the requisite aggregate principal amount of an outstanding series of original issue discount Debt Securities have given any request, demand, authorization or consent under the Indenture, the principal amount of that series that will be deemed to be outstanding will be the amount of the principal of that series that would be due and payable as of the date of the determination upon a declaration of acceleration of the maturity of that series.

We are required to furnish to the Trustee annually a statement as to the fulfillment of all of our obligations under each Indenture (Section 4.3).

Discharge and Defeasance. Unless otherwise specified in the applicable prospectus supplement, we can discharge or defease our obligations with respect to each series of Debt Securities as described below (Article 10).

With respect to Debt Securities of any series issued under any Indenture that remain outstanding and:

- . have either become due and payable; or
- . are by their terms due and payable within one year; or
- . are by their terms subject to optional redemption within one year;

we may discharge all our obligations to the holders of that series of Debt Securities by depositing with the Trustee, as trust funds, cash or U.S. Government Obligations (as defined in the Indenture) or both. The amount so deposited must be certified to be sufficient to pay when due the principal of, premium, if any, and interest, if any, on all outstanding Debt Securities of that series and to make any mandatory sinking fund payments on those Debt Securities when due.

With respect to Debt Securities of any other series issued under any Indenture that remain outstanding, we may, unless otherwise provided in the applicable prospectus supplement, discharge at any time our obligations to holders of that series ("defeasance") only if, among other things:

- . the Debt Securities are not convertible Subordinated Debt Securities or convertible Junior Subordinated Debt Securities;

- . we irrevocably deposit with the Trustee cash or U.S. Government Obligations, or a combination of both, as trust funds in an amount certified to be sufficient to pay when due the principal of, premium, if any, and interest, if any, on all outstanding Debt Securities of that series and to make any mandatory sinking fund payments on those Debt Securities when due and the funds have been so deposited for 91 days;
- . the defeasance will not result in a breach or violation of, or cause a default under, any agreement or instrument to which we are a party or by which we are bound; and
- . we deliver to the Trustee an opinion of counsel with respect to the effects of the defeasance under the United States federal income tax laws. The opinion must be to the effect that the holders of the defeased Debt Securities will not recognize income, gain or loss for federal income tax purposes as a result of the defeasance and that the defeasance will not otherwise alter the United States Federal income tax treatment of the holders' principal and interest payments on that series of Debt Securities. The opinion must be based on a ruling of the Internal Revenue Service or a change in United States Federal income tax law occurring after the date of this prospectus because that opinion could not be rendered under current federal income tax law.

Some of the obligations and rights of the holders of any series of Debt Securities issued under any Indenture will not be affected by any discharge or defeasance discussed above. These are:

- . rights of registration of transfer and exchange of Debt Securities of the affected series;
- . rights of substitution of mutilated, defaced, destroyed, lost or stolen Debt Securities of that series;
- . rights of holders of Debt Securities of that series to receive payments of principal and premium, if any, and interest, if any, when due and to receive mandatory sinking fund payments on those Debt Securities when due, if any;
- . the rights, obligations, duties and immunities of the Trustee;
- . the rights of holders of Debt Securities of that series as beneficiaries with respect to property deposited with the Trustee payable to all or any of them;
- . our obligations to maintain an office or agency in respect of Debt Securities of that series; and
- . if applicable, our obligations with respect to the conversion of Debt Securities of a series into common stock.

Modification of the Indenture. Each Indenture provides that we and the Trustee may enter into supplemental indentures without the consent of the holders of the Debt Securities:

- . to evidence the assumption by a successor entity of our obligations under the Indenture;
- . to add covenants or new events of default for the protection of the holders of Debt Securities;
- . to cure any ambiguity or correct any inconsistency in the Indenture;
- . to establish the form and terms of Debt Securities;
- . to evidence the acceptance of appointment by a successor trustee;
- . to amend the Indenture in any other manner that we may deem necessary or desirable and that will not adversely affect the interests of the holders of outstanding Debt Securities; or
- . in the case of Senior Debt Securities, to secure Debt Securities (Section 8.1).

We and the Trustee, with the consent of the holders of not less than a majority of the aggregate principal amount of Debt Securities of each series then outstanding and affected, may add, change or eliminate any of the provisions of the applicable Indenture. Similarly, with the consent of the holders of at least a majority of the aggregate principal amount of Debt Securities of each series then outstanding and affected, we may also modify

in any manner the rights of the holders of the Debt Securities of that series. These rights are, however, limited. We and the Trustee may not, without the consent of the holder of each outstanding Debt Security affected thereby:

- . extend the stated maturity of the principal of any Debt Security;
- . reduce the amount of the principal or premium, if any, of any Debt Security;
- . reduce the rate, change the method of determination or extend the time of payment of interest on any Debt Security;
- . reduce or alter the method of computation of any amount payable on or at redemption of any Debt Security;
- . reduce the principal amount of any original issue discount security payable upon acceleration of any Debt Security or provable in bankruptcy;
- . change the coin or currency in which principal, premium, if any, and interest, if any, are payable;
- . impair or affect the right to institute suit for the enforcement of any payment or repayment of any Debt Security;
- . if applicable, adversely affect the right to convert Debt Securities or any right of prepayment at the option of the holder; or
- . reduce the aforesaid percentage in aggregate principal amount of Debt Securities of any series issued under such Indenture, the consent of the holders of which is required for any such modification (Section 8.2).

Neither the Subordinated Indenture nor the Junior Subordinated Indenture may be amended to alter the subordination of any outstanding Subordinated Debt Securities or the Junior Subordinated Debt Securities without the consent of each holder of Senior Indebtedness or Superior Indebtedness, as the case may be, then outstanding that would be adversely affected thereby (Section 8.6 of the Subordinated Indenture and the Junior Subordinated Indenture).

**Paying Agent and Registrar.** The Trustee or an affiliate of the Trustee initially will act as paying agent and registrar with respect to any series of Debt Securities issued under an Indenture (Section 3.2).

**Consolidation, Merger and Sale of Assets.** Under each Indenture, we may, without the consent of the holders of any of the outstanding Debt Securities, consolidate with or merge into, or convey, transfer or lease our properties and assets substantially as an entirety to, any other corporation organized and validly existing under the laws of any domestic jurisdiction, provided that:

- . any successor corporation assumes our obligations on the Debt Securities under the Indenture;
- . after giving effect to the transaction no event of default has occurred and is continuing.

**Governing Law.** The indentures, the Debt Securities and coupons will be governed by, and construed in accordance with, the laws of the State of New York.

#### Provisions Applicable Solely to Senior Debt Securities

**General.** Senior Debt Securities will be issued under the Senior Indenture and will rank pari passu with all other unsecured and unsubordinated debt of Halliburton.

**Definitions.** For purposes of the following discussion, the following definitions are applicable (Article One of the Senior Indenture).

"Subsidiary" means any corporation of which our Company, or our Company and one or more Subsidiaries, or any one or more Subsidiaries, directly or indirectly own voting securities entitling any one or more of our Company and its Subsidiaries to elect a majority of the directors of such corporation.

"Principal Property" means any real estate, manufacturing plant, warehouse, office building or other physical facility, or any item of marine, transportation or construction equipment or other like depreciable assets of our Company or of any Restricted Subsidiary, whether owned at or acquired after the date of the Senior Indenture, other than any pollution control facility, that in the opinion of the Board of Directors is of material importance to the total business conducted by our Company and its Restricted Subsidiaries as a whole.

"Restricted Subsidiary" means:

- . any Subsidiary of ours existing at the date of the Senior Indenture the principal assets and business of which are located in the United States or Canada, except sales financing, real estate and other Subsidiaries so designated; and
- . any other Subsidiary that is designated by our Company to be a Restricted Subsidiary.

"Secured Debt" means indebtedness (other than indebtedness among Halliburton and Restricted Subsidiaries) for money borrowed by our Company or a Restricted Subsidiary, or any other indebtedness of our Company or a Restricted Subsidiary on which interest is paid or payable, which in any case is secured by:

- . a lien or other encumbrance on any Principal Property owned by our Company or a Restricted Subsidiary;
- . a pledge, lien or other security interest on any shares of stock or indebtedness of a Restricted Subsidiary; or
- . in the case of indebtedness of our Company, a guaranty by a Restricted Subsidiary.

"Consolidated Net Tangible Assets" means the aggregate amount of assets included on a consolidated balance sheet of our Company and its Restricted Subsidiaries, less

- . applicable reserves and other properly deductible items;
- . all current liabilities; and
- . all goodwill, trade names, trademarks, patents, unamortized debt discount and expense and other like intangibles;

all in accordance with generally accepted accounting principles consistently applied.

"Sale and Leaseback Transaction" means the sale or transfer by our Company or a Restricted Subsidiary of any Principal Property owned by it that has been in full operation for more than 120 days prior to the sale or transfer with the intention of taking back a lease on such property, other than a lease not exceeding 36 months, where the use by our Company or the Restricted Subsidiary of the property will be discontinued on or before the expiration of the term of the lease.

Restrictions on Secured Debt. While any series of Senior Debt Securities is outstanding, our Company and its Restricted Subsidiaries are prohibited from creating, incurring, assuming or guaranteeing any Secured Debt without equally and ratably securing the Senior Debt Securities of that series. In that circumstance, we must also equally and ratably secure any other indebtedness of, or guaranteed by, our Company or any such Restricted Subsidiary then similarly entitled. The foregoing restrictions are not applicable to:

- . specified purchase money mortgages;
- . specified mortgages to finance construction on unimproved property;
- . mortgages existing on property at the time of its acquisition by our Company or a Restricted Subsidiary;

- . mortgages existing on the property or on the outstanding shares or indebtedness of a corporation at the time it becomes a Restricted Subsidiary;
- . mortgages on property of a corporation existing at the time the corporation is merged or consolidated with our Company or a Restricted Subsidiary;
- . mortgages in favor of governmental bodies to secure payments of indebtedness; or
- . extensions, renewals or replacement of the foregoing (Section 3.6 of the Senior Indenture).

Our Company and any Restricted Subsidiaries may create, incur, assume or guarantee Secured Debt not otherwise permitted or excepted without equally and ratably securing Senior Debt Securities if the sum of:

- . the amount of the Secured Debt, plus
- . the aggregate value of Sale and Leaseback Transactions (subject to specific exceptions)

does not exceed 5% of Consolidated Net Tangible Assets (Section 3.6 of the Senior Indenture).

Limitations on Sale and Leaseback Transactions. While any series of Senior Debt Securities is outstanding, Sale and Leaseback Transactions are prohibited unless:

- . our Company or the Restricted Subsidiary owning the Principal Property would be entitled to incur Secured Debt equal to the amount realizable upon the sale or transfer of the property to be so leased secured by a mortgage on the property without equally and ratably securing the Senior Debt Securities of such series; or
- . an amount equal to the value of the property so leased is applied to the retirement (other than mandatory retirement) of the Senior Debt Securities of that series or other funded indebtedness of our Company and its Restricted Subsidiaries (Section 3.7 of the Senior Indenture).

Restrictions on Transfer of Principal Property to Unrestricted Subsidiary. Our Company and its Restricted Subsidiaries are prohibited from transferring whether by merger, consolidation or otherwise, except for fair value, any Principal Property to any Subsidiary that is not a Restricted Subsidiary, without retiring indebtedness as provided in the immediately preceding paragraph (Section 3.8 of the Senior Indenture).

Consolidation, Merger, Sale or Conveyance. No consolidation or merger of our Company, and no sale of substantially all of its property, may be effected with or to another corporation if any Principal Property of our Company or a Restricted Subsidiary would become subject to any mortgage or lien, unless

- . the lien or mortgage is of the nature described above as permitted by Section 3.6 of the Senior Indenture; or
- . prior thereto all Senior Debt Securities then outstanding are secured (equally and ratably with any other indebtedness of or guaranteed by our Company or any Restricted Subsidiary then similarly entitled) by a lien on the Principal Property and specified other properties (Section 9.2 of the Senior Indenture).

Our board of directors has not designated any property of our Company or of any Restricted Subsidiary as a Principal Property because, in the opinion of our management, no single property or asset is of material importance to the total business of our Company and its Restricted Subsidiaries taken as a whole.

#### Provisions Applicable Solely to Subordinated Debt Securities

Subordination. The Subordinated Debt Securities will be subordinate and junior in right of payment, to the extent described in the Subordinated Indenture, to all Senior Indebtedness (as defined below) of our Company. If we should default in the payment of any Senior Indebtedness when due and payable, then, upon written notice of the default to our Company by the holders of, or any trustee for, the Senior Indebtedness, no direct or indirect

payment may be made or agreed to be made on the Subordinated Debt Securities. This includes any payment in cash, property, securities, by set-off or otherwise. This includes payment for principal of, premium, if any, or interest, if any, on the Subordinated Debt Securities. It also includes any payment in respect of any redemption, retirement, purchase or other acquisition of the Subordinated Debt Securities. It does not include any payment made in capital stock of our Company (or cash in lieu of fractional shares) pursuant to any conversion right of the Subordinated Debt Securities or otherwise made in capital stock of our Company. These rights of the holders of Senior Indebtedness are subject to rights of our Company to dispute the default and subject to proper notification of the Trustee and apply until the default has been cured or waived or has ceased to exist. (Sections 14.1, 14.4 and 14.5 of the Subordinated Indenture).

Definitions. "Senior Indebtedness" is defined in the Subordinated Indenture as Indebtedness of our Company outstanding at any time except:

- . any Indebtedness as to which, by the terms of the instrument creating or evidencing the Indebtedness, it is provided that the Indebtedness is not senior in right of payment to the Subordinated Debt Securities;
- . the Subordinated Debt Securities;
- . any Indebtedness of our Company to a wholly-owned Subsidiary;
- . interest accruing after the filing of a petition initiating specified events of bankruptcy or insolvency unless the interest is an allowed claim enforceable against our Company in a proceeding under Federal or state bankruptcy laws; and
- . trade accounts payable.

"Indebtedness" is defined in the Subordinated Indenture as, with respect to any Person:

- . the principal of and premium and interest on indebtedness for money borrowed by that Person evidenced by bonds, notes, debentures or similar obligations, including any guaranty by that Person of any indebtedness for money borrowed of any other Person, whether the indebtedness or guaranty is outstanding on the date of the Subordinated Indenture or is later created, assumed or incurred;
- . the principal of and premium and interest on indebtedness for money borrowed, incurred, assumed or guaranteed by that Person in connection with the acquisition by it or any of its subsidiaries of any other businesses, properties or other assets;
- . capitalized lease obligations of that Person;
- . any other indebtedness of that Person, including:
  - . any indebtedness representing the balance deferred and unpaid of the purchase price of any property or interest therein, including any balance that constitutes a trade account payable; and
  - . any guaranty, endorsement or other contingent obligation of that Person in respect of any indebtedness of another Person that is outstanding on the date of the Subordinated Indenture or is later created, assumed or incurred by that Person; and
- . any amendments, modifications, refunding, renewals or extensions of any of the foregoing indebtedness or obligations.

Bankruptcy. All Senior Indebtedness (including any interest accruing after the commencement of any of the proceedings described below) must first be paid in full before any payment or distribution, whether in cash, securities or other property, is made on account of the principal of, premium, if any, or interest, if any, on the Subordinated Debt Securities if:

- . without our consent a court shall enter:
  - . an order for relief with respect to our Company under the United States Federal bankruptcy laws;

- . a judgment, order or decree adjudging our Company bankrupt or insolvent; or
- . an order for relief for reorganization, arrangement, adjustment or composition of or in respect of our Company under the United States Federal or state bankruptcy or insolvency laws; or
- . we shall:
  - . institute proceedings for the entry of an order for relief with respect to our Company under the United States Federal bankruptcy laws;
  - . institute proceedings for an adjudication of our insolvency;
  - . consent to the institution of bankruptcy or insolvency proceedings against us;
  - . file a petition seeking, or seek or consent to, reorganization, arrangement, composition or similar relief for our Company under any applicable law;
  - . consent to the filing of such a petition or to the appointment of a receiver, custodian, liquidator, assignee, trustee, sequestrator or similar official in respect of our Company or of substantially all of our property; or
  - . cause our Company to make a general assignment for the benefit of creditors.

In that event, any payment or distribution on account of the Subordinated Debt Securities, that would otherwise (but for the subordination provisions) be payable or deliverable in respect of the Subordinated Debt Securities must be paid or delivered directly to the holders of Senior Indebtedness. Any such payment or distribution must be made in accordance with the priorities then existing among those holders until all Senior Indebtedness (including any interest thereon accruing after the commencement of any such proceedings) has been paid in full. Any payment or distribution received by any holder of any Subordinated Debt Securities in contravention of any of the terms of the Subordinated Indenture and before all the Senior Indebtedness has been paid in full will be received in trust for the benefit of, and must be paid over or delivered to, the holders of the Senior Indebtedness then outstanding for application to the payment of Senior Indebtedness.

These provisions apply to any payment of principal of, premium, if any, or interest, if any, on the Subordinated Debt Securities. They apply to any payment or distribution of any character, whether in cash, securities or other property. They do not, however, apply to securities of our Company or any other corporation provided for by a plan of reorganization or readjustment the payment of which is subordinate, at least to the extent provided in the subordination provisions with respect to the Subordinated Debt Securities, to the payment of all Senior Indebtedness then outstanding and to any securities issued to the holders of Senior Indebtedness under any plan of reorganization or readjustment.

After payment in full of all sums owing with respect to Senior Indebtedness, the holders of Subordinated Debt Securities will be entitled to be repaid from the remaining assets of the Company the amounts at that time due and owing on account of the Subordinated Debt Securities before any payment or other distribution may be made on account of any capital stock or obligations of our Company ranking junior to the Subordinated Debt Securities. These provisions apply to any payment or distribution of any character, whether in cash, property or otherwise. The holders of any obligations of our Company ranking on a parity with the Subordinated Debt Securities will be entitled to share pro rata in any of these payments and distributions. (Section 14.1 of the Subordinated Indenture).

By reason of this subordination, in the event of the insolvency of our Company, holders of Senior Indebtedness may receive more, ratably, than holders of the Subordinated Debt Securities. These subordination provisions will not prevent the occurrence of an event of default or limit the right of acceleration in respect of the Subordinated Debt Securities.

Provisions Applicable to Both Subordinated Debt Securities and Junior Subordinated Debt Securities

Conversion. Offered Debt Securities that constitute Subordinated Debt Securities or Junior Subordinated Debt Securities may provide for a right of conversion of those Debt Securities into our common stock (or cash in lieu of fractional interests therein). The following provisions will apply to Debt Securities that are convertible Subordinated Debt Securities or convertible Junior Subordinated Debt Securities unless otherwise provided in the applicable prospectus supplement.

The holder of any convertible Subordinated Debt Securities or convertible Junior Subordinated Debt Securities will have the right exercisable at any time prior to maturity to convert the Subordinated Debt Securities or convertible Junior Subordinated Debt Securities into shares of our common stock at the conversion price or conversion rate set forth in the applicable prospectus supplement, subject to adjustment (Sections 13.2 of the Subordinated Debt Indenture and the Junior Subordinated Indenture). The holder of convertible Subordinated Debt Securities or convertible Junior Subordinated Debt Securities may convert any portion of the Debt Securities that is \$1,000 in principal amount or any integral multiple thereof (Sections 13.2 of the Subordinated Debt Indenture and the Junior Subordinated Indenture). Subordinated Debt Securities or Junior Subordinated Debt Securities that have been previously redeemed or otherwise purchased by our Company are not eligible for conversion.

The occurrence of specified events will result in adjustment of the conversion price or conversion rate as described in the Subordinated Indenture or the Junior Subordinated Indenture. These events include:

- . the issuance of shares of our common stock as a dividend or distribution on our common stock;
- . subdivisions, combinations and reclassifications of our common stock;
- . the issuance to all holders of our common stock of rights or warrants entitling the holders (for a period not exceeding 45 days) to subscribe for or purchase shares of our common stock at a price per share less than the then current market price per share of our common stock (as defined in the Subordinated Indenture and the Junior Subordinated Indenture); or
- . the distribution to all holders of our common stock of evidences of indebtedness, equity securities (including equity interests in our subsidiaries) other than our common stock or other assets (excluding cash dividends paid from surplus) or subscription rights or warrants (other than those referred to above).

No adjustment of the conversion price or conversion rate will be required unless an adjustment would require a cumulative increase or decrease of at least 1% in the price or rate (Sections 13.4 of the Subordinated Indenture and the Junior Subordinated Indenture).

We have been advised by our counsel, Vinson & Elkins L.L.P., that specified adjustments in the conversion price or conversion rate in accordance with the foregoing provisions may result in constructive distributions to either holders of the Subordinated Debt Securities or Junior Subordinated Debt Securities or holders of our common stock that would be taxable pursuant to Treasury Regulations issued under Section 305 of the Internal Revenue Code of 1986. The amount of any taxable constructive distribution will be the fair market value of the common stock that is treated as having been constructively received, that value being determined as of the time the adjustment resulting in the constructive distribution is made.

Fractional shares of common stock will not be issued upon conversion. Rather, we will pay a cash adjustment based on the then current market price for the common stock (Sections 13.3 of the Subordinated Indenture and the Junior Subordinated Indenture). Upon conversion, no adjustments will be made for accrued interest or dividends. Therefore, convertible Subordinated Debt Securities or convertible Junior Subordinated Debt Securities surrendered for conversion between the record date for an interest payment and the interest payment date (other than those called for redemption on a redemption date during that period) must be accompanied by payment of an amount equal to the interest on the Debt Securities that the registered holder is to receive (Sections 13.2 and 13.4 of the Subordinated Indenture and the Junior Subordinated Indenture).

Any consolidation or merger of our Company with or into any other person (with specific exceptions) or any sale or transfer of all or substantially all the assets of our Company will limit the conversion rights of holders of convertible Subordinated Debt Securities or convertible Junior Subordinated Debt Securities. Following any of these events, the holder of convertible Subordinated Debt Securities or convertible Junior Subordinated Debt Securities will have the right to convert the securities only into the kind and amount of securities, cash and other property that the holder would have been entitled to receive upon the occurrence of the event if the holder had held the common stock issuable upon conversion of the securities immediately prior to the event. (Sections 13.5 of the Subordinated Indenture and the Junior Subordinated Indenture).

Consolidation, Merger, Sale or Conveyance. The Subordinated Indenture and the Junior Subordinated Indenture permits our Company to consolidate with, or merge into, or transfer substantially all of its property to, another person provided specified conditions are met. (Sections 9.1 of the Subordinated Indenture and the Junior Subordinated Indenture).

#### Provisions Applicable Solely to Junior Subordinated Debt Securities

Subordination. The Junior Subordinated Debt Securities will be subordinate and junior in right of payment, to the extent set forth in the Junior Subordinated Indenture, to all Superior Indebtedness (as defined below). If we default in the payment of any Superior Indebtedness when due and payable, then, upon written notice of that default to our Company by the holders of, or any trustee for, the Superior Indebtedness, no direct or indirect payment may be made or agreed to be made on the Junior Subordinated Debt Securities. This includes any payment in cash, property, securities, by set-off or otherwise. This includes payment for principal of, premium, if any, or interest, if any, on the Junior Subordinated Debt Securities. It also includes any payment in respect of any redemption, retirement, purchase or other acquisition of the Junior Subordinated Debt Securities. It does not include any payment made in capital stock of our Company (or cash in lieu of fractional shares) pursuant to any conversion right of the Junior Subordinated Debt Securities or otherwise made in capital stock of our Company. These rights of the holders of Superior Indebtedness are subject to the rights of our Company to dispute the default and subject to proper notification of the Trustee and apply until the default has been cured or waived or has ceased to exist. (Sections 14.1, 14.4 and 14.5 of the Junior Subordinated Indenture).

Definitions. "Superior Indebtedness" is defined in the Junior Subordinated Indenture as Indebtedness of our Company outstanding at any time except:

- . any Indebtedness as to which, by the terms of the instrument creating or evidencing the Indebtedness, it is provided that the Indebtedness is not senior in right of payment to the Subordinated Debt Securities;
- . the Junior Subordinated Debt Securities;
- . any Indebtedness of Halliburton to a wholly-owned Subsidiary; and
- . interest accruing after the filing of a petition initiating specified events of bankruptcy or insolvency unless the interest is an allowed claim enforceable against Halliburton in a proceeding under Federal or state bankruptcy laws.

The principal distinction between the definition of Senior Indebtedness, as used in the Subordinated Indenture, and Superior Indebtedness, as used in the Junior Subordinated Indenture, is that our trade accounts payable and Subordinated Debt Securities constitute Superior Indebtedness but do not constitute Senior Indebtedness. Consequently, the Junior Subordinated Debt Securities are subordinated not only to Senior Indebtedness (as are the Subordinated Debt Securities) but also to our trade accounts payable and the Subordinated Debt Securities.

The definition of the term "Indebtedness," as used in the Junior Subordinated Indenture, is identical to the definition of the term "Indebtedness," as used in the Subordinated Indenture. See "--Provisions Applicable Solely to Subordinated Debt Securities."

Bankruptcy. All Superior Indebtedness (including any interest thereon accruing after the commencement of any of the proceedings described below) must first be paid in full before any payment or distribution, whether in cash, securities or other property, is made on account of the principal of, premium, if any, or interest, if any, on the Junior Subordinated Debt Securities if:

- . without our consent a court enters:
  - . an order for relief with respect to our Company under the United States Federal bankruptcy laws;
  - . a judgment, order or decree adjudging our Company bankrupt or insolvent; or
  - . an order for relief for reorganization, arrangement, adjustment or composition of or in respect of our Company under the United States Federal or state bankruptcy or insolvency laws; or
- . we shall:
  - . institute proceedings for the entry of an order for relief with respect to our Company under the United States Federal bankruptcy laws;
  - . institute proceedings for an adjudication of our insolvency;
  - . consent to the institution of bankruptcy or insolvency proceedings against us;
  - . file a petition seeking, or seek or consent to reorganization, arrangement, composition or similar relief for our Company under any applicable law;
  - . consent to the filing of such a petition or to the appointment of a receiver, custodian, liquidator, assignee, trustee, sequestrator or similar official in respect of our Company or of substantially all of our property;
  - . cause our Company to make a general assignment for the benefit of creditors.

In any of these events, any payment or distribution on account of the Junior Subordinated Debt Securities that would otherwise (but for the subordination provisions) be payable or deliverable in respect of the Junior Subordinated Debt Securities must be paid or delivered directly to the holders of Superior Indebtedness. Any of these payments or distributions must be made in accordance with the priorities then existing among those holders until all Superior Indebtedness (including any interest accruing after the commencement of any the proceedings) has been paid in full. Any payment or distribution received by any holder of any Junior Subordinated Debt Securities in contravention of any of the terms of the Junior Subordinated Indenture and before all the Superior Indebtedness has been paid in full will be received in trust for the benefit of, and must be paid over or delivered to, the holders of the Superior Indebtedness then outstanding for application to the payment of Superior Indebtedness to the extent necessary to pay all such Superior Indebtedness in full.

These provisions apply to any payment of principal of, premium, if any, or interest, if any, on the Junior Subordinated Debt Securities. They apply to any payment or distribution of any character, whether in cash, securities or other property. They do not, however, apply to securities of our Company or any other corporation provided for by a plan of reorganization or readjustment the payment of which is subordinate, at least to the extent provided in the subordination provisions with respect to the Junior Subordinated Debt Securities, to the payment of all Superior Indebtedness then outstanding and to any securities issued to holders of Superior Indebtedness under any plan of reorganization or readjustment.

After payment in full of all sums owing with respect to Superior Indebtedness, the holders of Junior Subordinated Debt Securities will be entitled to be repaid from the remaining assets of Halliburton the amounts at that time due and owing on account of the Junior Subordinated Debt Securities before any payment or other distribution may be made on account of any capital stock or obligations of Halliburton ranking junior to the Junior Subordinated Debt Securities. These provisions apply to any payment or distribution of any character, whether in cash, property or otherwise. The holders of any obligations of our Company ranking on a parity with the Junior Subordinated Debt Securities will be entitled to share pro rata in these payments and distributions. (Section 14.1 of the Junior Subordinated Indenture).

By reason of this subordination, in the event of the insolvency of our Company, holders of Superior Indebtedness may receive more, ratably, than holders of the Junior Subordinated Debt Securities. These subordination provisions will not prevent the occurrence of an event of default or limit the right of acceleration in respect of the Junior Subordinated Debt Securities.

Concerning the Trustee

Pursuant to the Trust Indenture Act of 1939, if a default should occur with respect to any Senior Debt Securities issued under the Senior Indenture, any Subordinated Debt Securities issued under the Subordinated Indenture or any Junior Subordinated Debt Securities issued under the Junior Subordinated Indenture, the Trustee would be required to resign as trustee under two of the Indentures within 90 days of the default unless the default were cured, duly waived or otherwise eliminated.

The Indentures contain limitations on the right of the Trustee, should it become our creditor, to obtain payment of claims in specified cases, or to realize for its own account on property received as security for these claims or otherwise. The Trustee will be permitted to engage in other transactions with us; however, if it acquires any conflicting interest, it must eliminate the conflict or resign.

JPMorgan Chase Bank, the Trustee under the Indentures, is a depository for funds of, makes loans to and performs other services for us in the normal course of business.

#### DESCRIPTION OF TRUST SECURITIES

The Trust may issue trust preferred securities and trust common securities under the terms of the Trust Agreement. The trust preferred securities will represent undivided beneficial interests in the assets of the Trust. We will own all of the trust common securities.

Selected provisions of the Trust Agreement are summarized below. This summary is not complete. The form of Trust Agreement has been filed with the SEC as an exhibit to the registration statement of which this prospectus constitutes a part. You should read the Trust Agreement for provisions that may be important to you. The Trust Agreement has been qualified as an indenture under the Trust Indenture Act. You should also refer to the Trust Indenture Act for provisions that apply to the trust preferred securities. Wherever we refer to particular terms that are defined in the Trust Agreement, the definitions of those terms are incorporated in this prospectus by reference.

#### General

The trust preferred securities and trust common securities issued by the Trust will be substantially the same except that, if there is an event of default under the Trust Agreement, as described below, the rights of the holders of the trust preferred securities will be entitled to priority in right of payment over the holders of trust common securities.

The Trust will invest the proceeds from any issuance of the trust preferred securities, together with the consideration that we pay for the trust common securities, to purchase trust debentures from us. Legal title to the trust debentures will be held by the property trustee in trust for the benefit of holders of the trust securities. For information as to the terms of the trust debentures, see "Description of Trust Debentures."

In accordance with the Trust Agreement, the Trust may not, among other things:

- . borrow money;
- . issue debt or any securities other than the trust securities;

- . execute mortgages; or
- . pledge any of its assets.

We will guarantee distributions on the trust preferred securities on a limited basis to the extent described under the caption "Description of Guarantee." We will not, however, guarantee payment of distributions or amounts payable on redemption of the trust preferred securities or on liquidation of the Trust when the Trust does not have funds on hand legally available for such payments. In that event, a holder of trust preferred securities may direct the property trustee to enforce its rights under the trust debentures. If the property trustee fails to enforce its rights with respect to the trust debentures, any record holder of the trust preferred securities may, to the fullest extent permitted by law, institute legal proceedings directly against us. The record holder can enforce the property trustee's rights under the trust debentures without first instituting any legal proceedings against the property trustee or any other person or entity. In addition, if a payment default has occurred and is continuing under the trust debentures, a record holder of the trust preferred securities may institute a legal proceeding directly against us. The record holder can seek enforcement of payment to the holder of principal of, premium, if any, or interest on the trust debentures having a principal amount equal to the aggregate liquidation amount of the trust preferred securities of the holder on or after the due date specified in the trust debentures.

Holders of the trust preferred securities shall have no preemptive or similar rights.

#### Distributions

Distributions on the trust securities will be payable on the dates and at the rates described in a prospectus supplement. The distribution rate and the relevant distribution date for the trust securities will correspond to the payments and payment dates on the trust debentures. The revenue of the Trust available for distribution to holders of the trust securities will be limited to payments under the trust debentures in which the Trust will invest the proceeds from the issuance and sale of the trust securities. If we fail to make interest payments on the trust debentures, the property trustee will not have funds available to pay distributions on the trust securities.

We may, on one or more occasions, defer the payment of interest on the trust debentures for a period not exceeding the number of consecutive semi-annual periods specified in the applicable prospectus supplement, unless a debenture event of default has occurred and is continuing. No deferral period will extend beyond the stated maturity date of the trust debentures. Distributions on the trust preferred securities will be deferred by the Trust during any deferral period. Distributions to which holders of the trust preferred securities are entitled during any such deferral period will accumulate additional distributions at the rate per annum described in the applicable prospectus supplement. All semi-annual distributions accrued during the deferral period, together with accumulated additional distributions as provided in the applicable prospectus supplement, will become due and payable at the end of the deferral period. No interest will be due and payable during any deferral period, except at the end of the period.

Upon the termination of any deferral period and the payment of all amounts then due on any interest payment date, we may elect to begin a new deferral period, subject to the requirements described above. There is no limitation on the number of times that we may elect to begin a deferral period. Accordingly, there could be multiple deferral periods of varying lengths throughout the term of the trust securities.

We must give the property trustee, the debenture trustee and the administrative trustees notice of our election to defer the payment of interest on the trust debentures at least one business day prior to the earlier of:

- . the date on which the distributions on the trust preferred securities would have been payable except for our election to begin the deferral period; or
- . the date the administrative trustees are required to give notice to any securities exchange or to holders of trust preferred securities of the record date or the date the distributions are payable, but in any event not less than five business days prior to the record date.

We have agreed in the applicable Indenture under which the trust debentures are to be issued to the Trust that our Company will not, during any deferred period, pay or make dividends or distributions on its outstanding capital stock (with specified exceptions) or make payments on its Debt Securities or guarantees ranking pari passu or junior in right of payment to the trust debentures held by the Trust. These provisions are described in greater detail in "Description of Trust Debentures--Covenants of the Company." See, also, "Description of Trust Debentures--Option to Extend Interest Payment Date."

#### Payment of Additional Sums

If the Trust is required to pay any taxes, duties, or other governmental charges imposed by the United States or any other taxing authority, we will be required to pay any additional sums that are necessary in order that the amount of distributions then due and payable by the Trust on the outstanding trust preferred securities and trust common securities will not be reduced.

#### Redemption

Whenever the trust debentures are repaid, other than following the distribution of the trust debentures to the holders of the trust securities, whether at maturity or earlier redemption, the property trustee will apply the proceeds to redeem a like amount of the trust securities. The circumstances under which the trust debentures will be redeemed will be set forth in the applicable prospectus supplement. The prices at which the trust securities will be redeemed will be equal to:

- . in the case of the payment of the trust debentures on the stated maturity date, the maturity redemption price which will be equal to the principal amount of, plus accrued and unpaid interest on, the trust debentures;
- . if so provided in the applicable prospectus supplement, in the case of the optional prepayment of the trust debentures upon the occurrence and continuation of a Special Event, the Special Event Redemption Price which will be equal to the Special Event Prepayment Price in respect of the trust debentures set forth in the applicable prospectus supplement; and
- . if so provided in the applicable prospectus supplement, in the case of optional prepayment of the trust debentures, the optional prepayment price which will be equal to the optional redemption price in respect of the trust debentures set forth in the applicable prospectus supplement.

For information as to the Special Event Prepayment Purchase Price and related terms, see "Description of Trust Debentures--Special Event Prepayment" and, for information as to the components of the optional redemption price, see "Description of Trust Debentures--Optional Prepayment."

Payment of the redemption price will be made upon not less than 30 nor more than 60 days' notice of a date of redemption to the holders of the trust securities.

If less than all the trust debentures are to be redeemed on a redemption date, the trust securities to be redeemed will be selected from among the holders thereof pro rata in accordance with their holdings.

"Like amount" means:

- . with respect to a prepayment of the trust securities, trust securities having a liquidation amount equal to the principal amount of trust debentures to be redeemed in accordance with their terms; and
- . with respect to a distribution of trust debentures upon the dissolution and liquidation of the Trust, trust debentures having a principal amount equal to the liquidation amount of the trust securities of the holder to whom the trust debentures are being distributed.

## Prepayment Procedures

If applicable, trust securities will be prepaid at the applicable prepayment price with the proceeds from the contemporaneous redemption of the trust debentures. Any prepayment of trust securities will be made and the applicable prepayment price will be payable on the prepayment date only to the extent that the trust has funds legally available for the payment of the applicable prepayment price. See also "--Subordination of Trust Common Securities."

If the trust gives a notice of prepayment in respect of the trust preferred securities, then, by 12:00 noon, New York City time, on the prepayment date, to the extent funds are legally available, the property trustee will:

- . with respect to trust preferred securities held by the DTC or its nominees, deposit with the DTC funds sufficient to pay the applicable prepayment price (see also "--Form, Denomination, Book--Entry Procedures and Transfer"); or
- . with respect to trust preferred securities held in certificated form, deposit with the paying agent for the trust preferred securities funds sufficient to pay the applicable prepayment price and will give the paying agent irrevocable instructions and authority to pay the applicable prepayment price to the holders of the trust preferred securities and trust common securities upon surrender of their certificates evidencing the trust preferred securities (see also "--Payment and Paying Agency").

Notwithstanding the foregoing, distributions payable on or prior to the prepayment date will be payable to the holders of trust preferred securities of record on the relevant record dates for the related distribution dates.

If notice of prepayment has been given and funds are deposited as required, then on the date of the deposit, all rights of the holders of the trust preferred securities called for prepayment will cease, except the right of the holders of the trust preferred securities to receive the applicable prepayment price, and the trust preferred securities will cease to be outstanding.

If any prepayment date of trust preferred securities is not a business day, then the prepayment price will be paid on the next business day. If the next business day falls in the next calendar year, then the required payment will be made on the immediately preceding business day. If payment of the prepayment price is improperly withheld or refused and not paid either by the trust or by us pursuant to the guarantee:

- . distributions on trust securities will continue to accumulate at the then applicable rate from the prepayment date originally established by the trust to the date the prepayment price is actually paid; and
- . the actual payment date will be the prepayment date for purposes of calculating the applicable prepayment price.

We or our subsidiaries may, subject to applicable law, from time to time purchase outstanding trust preferred securities by tender, in the open market or by private agreement.

The Trust may not prepay fewer than all of the outstanding trust securities unless all accumulated and unpaid distributions have been paid on all trust securities for all distribution periods terminating on or prior to the prepayment date. The property trustee will select the particular outstanding trust preferred securities to be prepaid not more than 60 days prior to the prepayment date. The selection will be made from among the holders thereof pro rata in accordance with their holdings, except that the property trustee shall endeavor to avoid individual holdings of securities of less than a round lot after a partial prepayment. If less than all of the issued trust preferred securities and trust common securities are to be prepaid on a prepayment date, then the aggregate amount of trust preferred securities and trust common securities to be prepaid will be allocated pro rata among the trust preferred securities and the trust common securities. The property trustee will promptly notify the trust registrar in writing of the trust preferred securities selected for prepayment and, in the case of any trust preferred security selected for partial prepayment, the liquidation amount to be prepaid. Unless the context

otherwise requires, all provisions of the Trust Agreement relating to a portion of the trust preferred securities to be prepaid in a partial prepayment relate to the specified portion of the aggregate liquidation amount of the outstanding trust preferred securities.

Notice of any prepayment will be mailed at least 30 days but not more than 60 days before the prepayment date to each holder of trust securities at its registered address. Unless we default in payment of the applicable prepayment price for the trust debentures, distributions will cease to accrue on the trust securities called for prepayment on and after the prepayment date.

#### Exchange

If at any time we or any of our affiliates hold any trust preferred securities, we may elect to deliver to the property trustee all or any portion of those trust preferred securities (together with a proportionate amount of trust common securities) in exchange for the principal amount of debentures described below. The election will be effective on any distribution date and may be exercised by us or our affiliate through delivery to the property trustee of a written notice of this election. The notice must specify the liquidation amount of trust preferred securities with respect to which the election is being made and the distribution date on which the exchange will occur (to be not less than ten business days after the date of receipt by the property trustee of the election notice.) The election will be conditioned upon the delivery by us or our affiliate to the property trustee or its designee of the trust preferred securities (and the proportionate amount of trust common securities) that are the subject of the election by 10:00 A.M. New York City time on the appropriate distribution date.

In the exchange, we will deliver trust common securities having an aggregate liquidation amount bearing the same ratio to the aggregate liquidation amount of all the outstanding trust common securities as the aggregate liquidation amount of the trust preferred securities that we propose to exchange bears to the aggregate liquidation amount of all the trust preferred securities outstanding immediately prior to the exchange.

In the exchange, the Trust will exchange debentures in an aggregate principal amount equal to the aggregate liquidation amount of the trust preferred securities and the trust common securities delivered by us for exchange. After the exchange, the exchanged trust preferred securities (and trust common securities) will be canceled and will no longer be deemed to be outstanding and all our rights as the holder of those trust preferred securities (and trust common securities) will cease.

#### Liquidation of the Trust and Distribution of Trust Debentures

The trust will automatically dissolve upon the first to occur of:

- . our bankruptcy, dissolution or liquidation or revocation of our charter without reinstatement for 90 days;
- . our direction to the property trustee in writing to dissolve the Trust;
- . the expiration of the term of the Trust and its distribution of a like amount of the trust debentures to the holders of the trust securities;
- . redemption of all of the trust securities; or
- . the entry of an order for dissolution of the Trust by a court of competent jurisdiction.

We have the right at any time to dissolve the Trust and, after satisfaction of liabilities to creditors of the Trust, to cause the trust debentures to be distributed to the holders of the trust securities in liquidation of the Trust. This right is subject to the administrative trustees having received an opinion of counsel to the effect that the distribution will not be a taxable event to holders of trust preferred securities.

If a dissolution occurs as described in any of the first three bullet points above, the Trust will be liquidated by the administrative trustees as expeditiously as possible. After satisfaction of liabilities to the Trust's creditors,

the administrative trustees will distribute to the holders of the trust securities a like amount of the trust debentures, unless such distribution is determined by the property trustee not to be practicable. In that case, the holders will be entitled to receive pro rata out of the assets of the Trust legally available for distribution to holders an amount equal to the aggregate of the liquidation amount of the trust securities plus accumulated and unpaid distributions to the date of payment. If this liquidation distribution can be paid only in part because the Trust has insufficient assets on hand and legally available to pay the full liquidation distribution, then the amount payable directly by the Trust on the trust securities will be paid on a pro rata basis in accordance with the liquidation amounts of the trust securities, except that if an event of default has occurred and is continuing, the trust preferred securities will have priority over the trust common securities. See "--Subordination of Trust Common Securities."

If we elect not to redeem the trust debentures before maturity in accordance with their terms and either elect not to or are unable to dissolve and liquidate the Trust and distribute the trust debentures to holders of the trust securities, the trust securities will remain outstanding until the payment of the trust debentures on the stated maturity date.

After any distribution of all the trust debentures to the holders of the trust securities:

- . the trust securities will no longer be deemed to be outstanding;
- . DTC or its nominee will receive, in respect of each registered global certificate, if any, representing trust securities and held by it, a registered global certificate or certificates representing the trust debentures to be delivered upon the distribution; and
- . any certificates representing trust securities not held by DTC or its nominee will be deemed to represent trust debentures having a principal amount equal to the liquidation amount of such trust securities until such certificates are presented to the administrative trustees or their agent for cancellation. We will then issue to the holder, and the debenture trustee will authenticate, a certificate representing the appropriate principal amount of such trust debentures.

#### Subordination of Trust Common Securities

Payment of distributions on, and the prepayment price of, the trust securities will be made pro rata to each holder of trust securities based on the liquidation amount of the trust securities held by each holder of trust securities in relation to the aggregate liquidation amount of all trust securities outstanding. If, however, on any distribution date or prepayment date, an event of default has occurred and is continuing, no payments in respect of distributions on, or payments upon liquidation, prepayment or otherwise with respect to, the common securities may be made until the holders of the trust preferred securities have been paid in full the distributions, prepayment price, liquidation distribution and other payments to which they are entitled at such time.

In the case of any event of default under the Trust Agreement, we, as holder of the trust common securities, will be deemed to have waived any right to act with respect to the event of default until the effect of the event of default with respect to the trust preferred securities is cured, waived or otherwise eliminated. Until the event of default is so cured, waived or otherwise eliminated, the property trustee will act solely on behalf of the holders of the trust preferred securities and not on behalf of us, as holder of the trust common securities. Only the holders of the trust preferred securities will have the right to direct the property trustee to act on their behalf.

#### Conversion of Trust Securities

If and to the extent indicated in the applicable prospectus supplement, the trust securities may be exchangeable for our common stock. The specific terms on which the trust securities may be so converted or exchanged will be set forth in the applicable prospectus supplement, including the method of determining the number of shares of our common stock to be received by the holders of the trust securities upon such exchange.

## Events of Default; Notice

The occurrence of a debenture event of default constitutes an event of default under the Trust Agreement. See "Description of Trust Debentures--Debenture Events of Default."

Within 90 days after the occurrence of any event of default actually known to the property trustee, the property trustee is required, unless the default is earlier cured or waived, to notify the holders of the trust securities of the default. We and the administrative trustees are required to file annually with the property trustee a certificate as to whether or not we are in compliance with all the conditions and covenants under the Trust Agreement.

Upon the occurrence of an event of default, the debenture trustee or the property trustee as the holder of the trust debentures will have the right under the applicable Indenture to declare the principal of and interest on the trust debentures to be immediately due and payable.

If an event of default has occurred and is continuing and the default is attributable to our failure to pay interest, principal or other required payments on the trust debentures issued to the trust on the date such interest, principal or other payment is otherwise due, then a record holder of trust preferred securities may, on or after the respective due dates specified in the trust indenture, institute a proceeding directly against us. The record holder can seek enforcement of payment on trust debentures having a principal amount equal to the aggregate liquidation amount of the trust preferred securities held by the record holder. To the extent that we make any payment to the record holder of trust preferred securities as a result of the institution of an action of this nature, we will be subrogated to the rights of that holder of trust preferred securities.

If an event of default has occurred and is continuing, the holders of a majority in liquidation amount of trust preferred securities may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee under the applicable Indenture or executing any trust or power conferred on that Trustee with respect to the trust debentures.

If an event of default has occurred and is continuing, the trust preferred securities will have a preference over the trust common securities as described under "--Liquidation of the Trust and Distribution of Trust Debentures" and "--Subordination of Trust Common Securities."

## Removal of Trustees

Unless an event of default has occurred and is continuing, any of the Trust Trustees may be removed at any time by the holder of the trust common securities. Any administrative trustee may be removed at any time by the holder of trust common securities. If an event of default has occurred and is continuing, the property trustee and the Delaware trustee may be removed by the holders of a majority in liquidation amount of the outstanding trust preferred securities. No removal of the property trustee or the Delaware trustee will be effective until a successor meeting the requisite qualifications has been appointed and accepted the appointment.

In no event will the holders of the trust preferred securities have the right to vote to appoint, remove or replace the administrative trustees, those voting rights being vested exclusively in the holder of the trust common securities. The Trust Agreement requires that the Trust Trustees must at all times include at least one administrative trustee.

## Trust Business Combinations

Except as provided below and as otherwise described under "--Liquidation of the Trust and Distribution of Trust Debentures," the Trust may not merge with or into, convert into, consolidate with, amalgamate or be replaced by, or convey, transfer or lease its properties and assets as an entirety or substantially as an entirety to,

any corporation or other person. The trust may, at our request and with the consent of the administrative trustees but without the consent of the holders of the trust preferred securities, the Delaware trustee or the property trustee merge with or into, or convert into, consolidate, amalgamate, or be replaced by or convey, transfer or lease its properties and assets as an entirety or substantially as an entirety to a trust organized as such under the laws of any state of the United States or the District of Columbia; provided that:

- . the successor entity either:
  - . expressly assumes all of the obligations of the Trust with respect to the trust securities and the Trust Agreement; or
  - . substitutes for the trust securities other securities having substantially the same terms as the trust securities (the "Successor Securities") so long as the Successor Securities rank the same as the trust securities rank in priority with respect to distributions and payments upon liquidation, redemption and otherwise;
- . we expressly appoint a trustee of such successor entity possessing the same powers and duties relating to its holding of the trust debentures as the property trustee;
- . the Successor Securities are listed, or will be listed upon notification of issuance, on any national securities exchange or other organization on which the trust securities are then listed or quoted, if any;
- . if the trust preferred securities (including any Successor Securities) are rated by any nationally recognized statistical rating organization prior to the transaction, such merger, conversion, consolidation, amalgamation, replacement, conveyance, transfer or lease does not cause the trust preferred securities (including any Successor Securities) or, if the trust debentures are so rated, the trust debentures to be downgraded by any such nationally recognized statistical rating organization;
- . the merger, conversion, consolidation, amalgamation, replacement, conveyance, transfer or lease does not adversely affect the rights, preferences and privileges of the holders of the trust securities (including any Successor Securities) in any material respect;
- . the successor entity has a purpose substantially identical to that of the Trust;
- . prior to the merger, conversion, consolidation, amalgamation, replacement, conveyance, transfer or lease, we have received an opinion from independent counsel to the Trust to the effect that:
  - . the merger, conversion, consolidation, amalgamation, replacement, conveyance, transfer or lease will not adversely affect the rights, preferences and privileges of the holders of the trust securities (including any Successor Securities) in any material respect (other than by reason of dilution); and
  - . following the merger, conversion, consolidation, amalgamation, replacement, conveyance, transfer or lease:
    - . neither the Trust nor the successor entity will be required to register as an investment company under the Investment Company Act of 1940; and
    - . the Trust or the successor entity will continue to be classified as a grantor trust for United States federal income tax purposes; and
- . we or any permitted successor or assignee own all of the trust common securities of such successor entity and guarantee the obligations of such successor entity under the Successor Securities at least to the extent provided by the guarantee of the trust preferred securities.

Notwithstanding the foregoing, the Trust will not, except with the consent of holders of 100% in liquidation amount of the trust securities,

- . merge with or into, convert into, consolidate with, amalgamate with or be replaced by or convey, transfer or lease its properties and assets as an entirety or substantially as an entirety to, any other entity, or
- . permit any other entity to merge with or into, convert into, consolidate with, amalgamate with or replace it

if such consolidation, conversion, amalgamation, merger, replacement, conveyance, transfer or lease:

- . would cause the trust or the successor entity not to be classified as a grantor trust for the United States federal income tax purposes, or
- . would cause the holders of the trust securities not to be treated as owning an undivided interest in the trust debentures.

#### Voting Rights; Amendment of the Trust Agreement

Except as provided under "--Trust Business Combinations" and "Description of Guarantee--Amendments and Assignment," as otherwise required by law and as follows, the holders of the trust preferred securities will have no voting rights.

The Trust Agreement may be amended from time to time by us and the administrative trustees, without the consent of the holders of the trust securities:

- . to cure any ambiguity, correct or supplement any provisions in the Trust Agreement that may be inconsistent with any other provision or to make any other provisions with respect to matters or questions arising under the Trust Agreement that are not inconsistent with the other provisions of the Trust Agreement;
- . to modify, eliminate or add to any provisions of the Trust Agreement to the extent necessary to ensure that the Trust will be classified for United States federal income tax purposes as a grantor trust at all times that any trust securities are outstanding or to ensure that the Trust will not be required to register as an "investment company" under the Investment Company Act;
- . to provide for a successor trustee; or
- . to add to our covenants or obligations as sponsor;

provided, however, that in the case of the first two bullet points, the interests of the holders of the trust securities shall not be adversely affected in any material respect. Any amendments of the Trust Agreement pursuant to the foregoing will become effective once notice of the amendment is given to the holders of the trust securities.

We and the administrative trustees may otherwise amend the Trust Agreement:

- . with the consent of holders representing a majority (based upon liquidation amount) of the outstanding trust securities; and
- . upon receipt by the Trust Trustees of an opinion of experienced counsel to the effect that the amendment:
  - . is permitted by, and conforms to, the terms of the Trust Agreement (including any Annex thereto);
  - . all conditions precedent, if any, in the Trust Agreement have been satisfied; and
  - . will not affect the status of the Trust as a grantor trust for United States federal income tax purposes or the exemption of the Trust from status as an "investment company" under the Investment Company Act;

provided, however, that, without the consent of each holder of trust securities, the Trust Agreement may not be amended to:

- . change the amount or timing of any distribution on the trust securities or otherwise to affect adversely the amount of any distribution required to be made on the trust securities as of a specified date; or
- . restrict the right of a holder of trust securities to institute suit for the enforcement of that obligation on or after that date.

Subject to the requirements discussed below, holders of a majority in liquidation amount of trust preferred securities may:

- . direct the time, method and place of conducting any proceeding for any remedy available to the Trustee under the applicable Indenture or executing any trust or power conferred on that Trustee with respect to the trust debentures;
- . waive any past defaults under the applicable Indenture;
- . exercise any right to rescind or annul a declaration of acceleration of the maturity of the principal of the trust debentures; or
- . consent, where consent is required, to any amendment, modification or termination of the applicable Indenture or the trust debentures,

without, in each case, obtaining the prior approval of the holders of a majority in liquidation amount of all outstanding trust preferred securities. None of the Trust Trustees may, without the consent of the holders of a majority in liquidation amount of trust preferred securities, take any of the actions specified in the bullet points set forth in this paragraph.

Where a consent under the applicable Indenture would require the consent of each holder of trust debentures affected thereby, no such consent will be given by the property trustee without the prior consent of each holder of the trust preferred securities. The Trust Trustees may not revoke any action previously authorized or approved by a vote of the holders of the trust preferred securities except pursuant to a subsequent vote of those holders.

The property trustee is obligated to notify each holder of trust preferred securities regarding any notice of default that it receives with respect to the trust debentures. In addition to obtaining the foregoing approvals of the holders of the trust preferred securities, the Trust Trustees are obligated, prior to taking any of the foregoing actions, to obtain an opinion of experienced counsel to the effect that the Trust will not fail to be classified as a grantor trust for United States federal income tax purposes as a result of any of those actions.

Any required approval of holders of trust preferred securities may be given at a meeting of holders convened for that purpose or pursuant to written consent (without prior notice). The property trustee will cause a notice of any meeting at which holders of trust preferred securities are entitled to vote to be given to each holder of record of trust preferred securities in the manner described in the Trust Agreement.

No vote or consent of the holders of trust preferred securities will be required for the Trust to redeem and cancel the trust preferred securities in accordance with the Trust Agreement.

Notwithstanding that holders of the trust preferred securities are entitled to vote or consent under any of the circumstances described above, any of the trust preferred securities owned by us or any of our affiliates will not be entitled to vote or consent and will, for purposes of the vote or consent, be treated as if they were not outstanding.

#### Payment and Paying Agency

Payments in respect of trust preferred securities held in global form will be made to the depositary, which shall credit the relevant accounts at the depositary on the applicable distribution dates, or, in respect of trust preferred securities that are not held by the depositary, the payments shall be made by check mailed to the address of each holder entitled thereto as the address shall appear on the register. The paying agent will initially be the property trustee or an affiliate of the property trustee, and any co-paying agent must be chosen by the property trustee and be acceptable to the administrative trustees and us. The paying agent will be permitted to resign in that capacity upon 30 days' written notice to the property trustee, the administrative trustees and us. If the property trustee or an affiliate of the property trustee is no longer the paying agent, the administrative trustees will appoint a successor (which will be a bank or trust company acceptable to the administrative trustees and us) to act as paying agent.

## Form, Denomination, Book-Entry Procedures and Transfer

Unless otherwise specified in the applicable prospectus supplement, the trust preferred securities will be in registered, global form, and the global trust preferred securities will, upon issuance, be deposited with the DTC in New York, New York, and registered in the name of the DTC or its nominee, in each case for credit to an account of a direct or indirect participant in the DTC as described below.

A global preferred security may not be transferred as a whole except by the DTC to another nominee of the DTC or to a successor of the DTC or its nominee. Beneficial interests in the global trust preferred securities must be transferred and exchanged through the facilities of the DTC. Beneficial interests in the global trust preferred securities may not be exchanged for trust preferred securities in certificated form except in the limited circumstances described below. See "-Exchange of Book-Entry Trust Preferred Securities for Certificated Trust Preferred Securities."

### Registrar and Transfer Agent

The property trustee will act as registrar and transfer agent for the trust preferred securities.

Registration of transfers of the trust preferred securities will be effected without charge by or on behalf of the Trust, but upon payment of any tax or other governmental charges that may be imposed in connection with any transfer or exchange. The Trust will not be required to register or cause to be registered the transfer of the trust preferred securities after they have been called for redemption.

### Information Concerning the Property Trustee

The property trustee, other than during the occurrence and continuance of a trust agreement event of default, will perform only such duties as are specifically set forth in the Trust Agreement. During the existence of a trust agreement event of default, the property trustee must exercise the same degree of care and skill as a prudent person would exercise or use in the conduct of his or her own affairs. The property trustee is under no obligation to exercise any of the powers vested in it by the Trust Agreement at the request of any holder of trust securities unless it is offered reasonable indemnity against the costs, expenses and liabilities that might be incurred in connection with the exercise of those powers.

If the property trustee is:

- . required to decide between alternative courses of action;
- . required to construe ambiguous provisions in the Trust Agreement; or
- . unsure of the application of any provision of the Trust Agreement; and
- . no trust agreement event of default has occurred and is continuing; and
- . the matter is not one that holders of the trust preferred securities or the trust common securities are entitled to vote under the Trust Agreement,

then the property trustee is obligated to take action as directed by us and, if not so directed, to take any action it deems advisable and in the best interests of the holders of the trust securities. Under those circumstances, the property trustee will have no liability except for its own bad faith, negligence or willful misconduct.

JPMorgan Chase Bank will serve as the property trustee, the debenture trustee and the guarantee trustee. Chase Manhattan Bank USA, National Association, will serve as the Delaware trustee. We, as well as some of our subsidiaries, from time to time borrow money from, and maintain deposit accounts and conduct banking transactions with, JPMorgan Chase Bank in the ordinary course of our business. JPMorgan Chase Bank also serves as agent and is a lender under our bank credit facility.

## Miscellaneous

The administrative trustees are authorized and directed to conduct the affairs of and to operate the Trust in a way that the Trust will not be deemed to be an "investment company" required to be registered under the Investment Company Act or classified as an association taxable as a corporation for United States federal income tax purposes and that the trust debentures will be treated as our indebtedness for United States federal income tax purposes. In this connection, we and the administrative trustees are authorized to take any action, not inconsistent with applicable law, the certificate of trust of the Trust or the Trust Agreement, that we and the administrative trustees determine in our discretion is necessary or desirable for those purposes, as long as such action does not materially adversely affect the interests of the holders of the trust securities.

The Trust Agreement and the trust preferred securities will be governed by and construed in accordance with the internal laws of the State of Delaware.

### DEPOSITARY PROCEDURES

#### General

Any of the Debt Securities and trust preferred securities may be issued in global form through the facilities of the Depository Trust Company ("DTC").

The DTC has advised the Trust and us that the DTC is a limited-purpose trust company organized under the New York banking law, a "banking organization" within the meaning of the New York banking law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. The DTC holds securities deposited with it by its participants and facilitates the settlement of transactions in securities among its participants through electronic book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of security certificates. The DTC's participants include securities brokers and dealers, banks, trust companies, clearing corporations and other organizations. Indirect access to the DTC's system is also available to banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly. Persons who are not participants may beneficially own securities held by or on behalf of the DTC only through the participants or the indirect participants of the DTC. The ownership interest and transfer of ownership interest of each actual purchaser of each security held by or on behalf of the DTC are recorded on the records of the participants and indirect participants.

The DTC has also advised the Trust and us that it has established procedures to provide that ownership of interests in the global securities will be shown on, and the transfer of that ownership will be effected only through, records maintained by the DTC (with respect to the participants) or by the participants and indirect participants (with respect to other owners of beneficial interests in the global securities).

Investors in the global securities may hold their interests directly through the DTC if they are participants in such system, or indirectly through organizations that are participants in the system. All interests in a global security will be subject to the procedures and requirements of the DTC. The laws of some states require that specified persons take physical delivery in certificated form of securities that they own. Consequently, the ability to transfer beneficial interests in a global security to those persons will be limited to that extent.

The DTC can act only on behalf of participants, which in turn act on behalf of indirect participants. Consequently, the ability of a person having beneficial interests in a global security to pledge those interests to persons or entities that do not participate in the DTC system may be affected by the lack of a physical certificate evidencing those interests. For information as to other restrictions on the transferability of global securities, see "--Exchange of Book-Entry Securities for Certificated Securities."

Except as described below, owners of interests in the global securities will not have securities registered in their name, will not receive physical delivery of securities in certificated form and will not be considered the registered owners or holders of those securities under the applicable Indenture or the Trust Agreement for any purpose.

Payments in respect of each global security registered in the name of the DTC or its nominee will be payable to the DTC in its capacity as the registered holder under the applicable Indenture or the Trust Agreement. Under the terms of the applicable Indenture or the Trust Agreement, the trustee will treat the persons in whose names the securities, including the global securities, are registered as the owners of those securities for the purpose of receiving those payments and for any and all other purposes. Consequently, neither the trustee nor any agent thereof has or will have any responsibility or liability for:

- . any aspect of the DTC's records or any participant's or indirect participant's records relating to or payments made on account of beneficial ownership interests in the global securities or for maintaining, supervising or reviewing any of the DTC's records or any participant's or indirect participant's records relating to the beneficial ownership interests in the global securities; or
- . any other matter relating to the actions and practices of the DTC or any of its participants or indirect participants.

The DTC has advised the Trust and us that its current practice, upon receipt of any payment in respect of securities, is to credit the accounts of the relevant participants with the payment on the payment date. The accounts will be credited in amounts proportionate to the participant's holdings of beneficial interests in the relevant security as shown on the records of the DTC. Payments by the participants and the indirect participants to the beneficial owners of securities represented by global securities will be governed by standing instructions and customary practices. This will be the responsibility of the participants or the indirect participants and will not be the responsibility of the DTC, any trustee, the Trust or us. None of the Trust, our Company or any trustee will be liable for any delay by the DTC or any of its participants in identifying the beneficial owners of the securities. The Trust, our Company and any trustee may conclusively rely on and will be protected in relying on instructions from the DTC or its nominee for all purposes.

Interests in the global securities will trade in the DTC's Same-Day Funds Settlement System and secondary market trading activity in those interests will therefore settle in immediately available funds, subject in all cases to the rules and procedures of the DTC and its participants. Transfers between participants in the DTC will be effected in accordance with the DTC's procedures and will be settled in same-day funds.

The DTC has advised the Trust and us that it will take any action permitted to be taken by a holder of securities only at the direction of one or more participants to whose DTC account interests in the global securities are credited and only in respect of that portion of the securities as to which the participant or participants has or have given direction. If, however, there is an event of default under any applicable Indenture or the Trust Agreement, the DTC reserves the right to exchange the global securities for securities in certificated form and to distribute the certificated securities to its participants.

The information in this section concerning the DTC and its book-entry system has been obtained from sources that we and the Trust believe to be reliable, but neither we nor the Trust take responsibility for the accuracy thereof.

Although the DTC has established the foregoing procedures to facilitate transfers of interest in the global securities among participants in the DTC, the DTC is under no obligation to perform or to continue to perform those procedures, and those procedures may be discontinued at any time. None of the Trust, our Company or any trustee will have any responsibility for the performance by the DTC or its participants or indirect participants of their obligations under the rules and procedures governing their operations.

Exchange of Book-Entry Securities for Certificated Securities

A global security is exchangeable for securities in certificated form if:

- . the DTC notifies the Trust or us that it is unwilling or unable to continue to act as depositary for the global security or has ceased to be a clearing agency registered under the Exchange Act, and we or the Trust fail to appoint a successor depositary within 90 days; or
- . in the case of trust preferred securities, the administrative trustees, on behalf of the Trust, at their sole discretion elect to cause the issuance of certificated trust preferred securities.

In all cases, certificated securities delivered in exchange for beneficial interests in any global security will be registered in the names, and issued in any approved denominations, requested by or on behalf of the depositary (in accordance with its customary procedures).

## DESCRIPTION OF TRUST DEBENTURES

The trust debentures will be issued under either a supplement to the Subordinated Indenture as subordinated trust debentures or a supplement to the Junior Subordinated Indenture as junior subordinated trust debentures. Both the Subordinated Indenture and the Junior Subordinated Indenture are described above under "Description of Debt Securities." The following is a summary of the terms of the supplement to the Subordinated Indenture or the Junior Subordinated Indenture that will establish the terms of the trust debentures. This summary does not purport to be complete and is subject to and is qualified in its entirety by reference to the supplement to each of those Indentures and to those terms made a part of the Indentures by the Trust Indenture Act.

### General

The Trust will invest the proceeds obtained from any issuance of trust preferred securities, together with the consideration paid by us for the trust common securities, in trust debentures issued by us. The trust debentures will bear interest from the same date and at the same rate as the trust preferred securities. It is anticipated that, until the liquidation, if any, of the Trust, each trust debenture will be held in the name of the property trustee in trust for the benefit of the holders of the trust securities.

The trust debentures will be issued in denominations of \$1,000 and integral multiples of \$1,000. The trust debentures will mature on the date provided.

### Subordinated Trust Debentures

The subordinated trust debentures will be issued pursuant to the Subordinated Indenture and will rank equally with all other Debt Securities under that Indenture. See "Description of Debt Securities--Provisions Applicable Solely to Subordinated Debt Securities." The subordinated trust debentures will be unsecured and will be subordinate and junior in right of payment to all Senior Indebtedness to the extent and in the manner described in the Subordinated Indenture. See "Description of Debt Securities--Provisions Applicable Solely to Subordinated Debt Securities--Subordination."

### Junior Subordinated Trust Debentures

The junior subordinated trust debentures will be issued pursuant to the Junior Subordinated Indenture and will rank equally with all other Debt Securities under that Indenture. See "Description of Debt Securities--Provisions Applicable Solely to Junior Subordinated Debt Securities." The junior subordinated trust debentures will be unsecured and will be subordinate and junior in right of payment to all Superior Indebtedness to the extent and in the manner described in the Junior Subordinated Indenture. See "Description of Debt Securities--Provisions Applicable Solely to Junior Subordinated Debt Securities--Subordination."

### Subordination

In the event of the acceleration of the maturity of the trust debentures:

- . in the case of the subordinated trust debentures, the holders of all Senior Indebtedness, or
- . in the case of the junior subordinated trust debentures, the holders of all Superior Indebtedness

outstanding at the time of such acceleration will first be entitled to receive payment in full of the Senior Indebtedness or Superior Indebtedness, as the case may be, before holders of trust debentures will be entitled to receive or retain any payment in respect of the trust debentures.

As indicated under "Description of Debt Securities--Provisions Applicable Solely to Junior Subordinated Debt," the principal distinctions between the definitions of Senior Indebtedness and Superior Indebtedness are that our Company's trade accounts payable and Subordinated Debt Securities constitute Superior Indebtedness but do not constitute Senior Indebtedness. Consequently, the junior subordinated debentures are subordinated not

only to Senior Indebtedness (as are the Subordinated Debt Securities) but also to our Company's trade accounts payable and the Subordinated Debt Securities.

#### Conversion

Unless otherwise provided in the applicable prospectus supplement:

- . the subordinated trust debentures will not be convertible into our common stock or any other security, and
- . the junior subordinated trust debentures will be convertible into our common stock.

#### Option to Extend Interest Payment Date

So long as no debenture event of default has occurred and is continuing, we will have the right at any time and from time to time during the term of the trust debentures to defer the payment of interest for a period not exceeding the number of consecutive semi-annual periods set forth in the applicable prospectus supplement and in:

- . the supplement to the Subordinated Indenture with respect to any outstanding subordinated trust debentures; or
- . the supplement to the Junior Subordinated Indenture with respect to any outstanding junior subordinated debentures.

No deferral period may, however, end on a date other than an interest payment date or extend beyond the stated maturity date of the trust debentures. At the end of such deferral period, we must pay all interest then accrued and unpaid including, to the extent permitted by applicable law, interest on the deferred interest at the rate borne by the trust debentures, compounded semi-annually for each semi-annual period of the deferral period.

During any deferral period, we have agreed in the applicable Indenture under which the trust debentures are to be issued to the Trust, that our Company will not pay or make dividends or distributions on its outstanding capital stock (with specified exceptions) or make payments on its Debt Securities or guarantees ranking pari passu or junior in right of payment to the trust debentures held by the Trust. These provisions are described in greater detail in "--Covenants of Halliburton."

Prior to the termination of any deferral period, we may extend the deferral period so long as the extension does not cause the deferral period, as so extended, to exceed the number of consecutive semi-annual periods set forth in the applicable prospectus supplement, end on a date other than an interest payment date or extend beyond the stated maturity date. Upon the termination of any deferral period and the payment of all amounts then due on any interest payment date, we may elect to begin a new deferral period, subject to the above requirements. No interest will be due and payable during a deferral period, except at the end of the period. We must give the Trust Trustees and the Trustee under the applicable Indenture notice of our election to defer payment of interest on the trust debentures at least five business days prior to the earlier of:

- . the date the distributions on the trust securities would have been payable except for the election to begin or extend the deferral period; or
- . the date the administrative trustees are required to give notice to any securities exchange or to holders of capital securities of the record date or the date the distributions are payable, but in any event not less than five business days before the record date.

The property trustee is obligated to give notice of our election to begin or extend a new deferral period to the holders of the trust preferred securities. There is no limitation on the number of times that we may elect to begin a deferral period. Accordingly, there could be multiple deferral periods of varying lengths throughout the term of the trust debentures.

## Optional Prepayment

The trust debentures may be prepayable, in whole at any time or in part from time to time, at our option at a prepayment price to the extent and as described in the applicable prospectus supplement.

## Special Event Prepayment

General. To the extent so provided in the applicable prospectus supplement, we will have the right, under the supplement to the Subordinated Indenture with respect to any outstanding subordinated trust debentures or under the supplement to the Junior Subordinated Indenture with respect to any outstanding junior subordinated debentures, to redeem, at our option, the trust debentures in whole (but not in part) at any time within 90 days after the occurrence of a Special Event. Any redemption must be at a redemption price equal to 100% of the principal amount of the trust debentures to be redeemed plus accrued and unpaid interest to the date of redemption.

Definitions. To the extent so provided in the applicable prospectus supplement, a "Special Event" means a Tax Event or an Investment Company Event.

"Investment Company Event" means the receipt by the Trust and us of an opinion from experienced counsel to the effect that there is more than an insubstantial risk that the Trust is or will be considered an "investment company" that is required to be registered under the Investment Company Act. The cause of the risk must be the occurrence of a change in law or regulation or a written change (including any announced prospective change) in interpretation or application of law or regulation by any authoritative governmental agency or authority. In addition, the amendment or change must have become effective or the pronouncement or decision must have been announced on or after the date of original issuance of the trust preferred securities.

A "Tax Event" means the receipt by us and the Trust of an opinion of experienced counsel to the effect that there is more than an insubstantial risk that:

- . the Trust is, or within 90 days after the date of the opinion will be, subject to United States federal income tax with respect to income received or accrued on the trust debentures;
- . interest payable by us on the trust debentures is not, or within 90 days after the date of the opinion will not be, deductible by us, in whole or in part, for United States federal income tax purposes; or
- . the Trust is, or within 90 days after the date of such opinion will be, subject to more than a de minimis amount of other taxes, duties or other governmental charges.

The risk must be the result of an amendment to, or change (including any announced prospective change) in, the laws or regulations of the United States or any of its political subdivisions or taxing authority or the result of an amendment or change in an official administrative pronouncement or judicial decision interpreting or applying those laws or regulations. In addition, the amendment or change must have become effective or the pronouncement or decision must have been announced on or after the issue date of the trust preferred securities.

Notice of any redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each holder of trust debentures to be redeemed at its registered address. Unless we default in payment of the redemption price, on and after the redemption date interest will cease to accrue on the trust debentures called for redemption.

## Additional Sums

If the Trust is required to pay any additional taxes, duties or other governmental charges as a result of a Tax Event, we will pay as additional amounts on the trust debentures any additional amounts that may be necessary in order that the amount of distributions then due and payable by the Trust on the outstanding trust securities will not be reduced as a result of any such additional taxes, duties and other governmental charges.

Covenants of Halliburton

We covenant in the applicable supplement to the Subordinated Indenture or the Junior Subordinated Indenture with respect to the trust debentures that if:

- . there shall have occurred any event of which we have actual knowledge that (a) with the giving of notice or the lapse of time, or both, would constitute an event of default under the trust debentures and (b) in respect of which we do not take reasonable steps to cure;
- . an event of default under the trust debentures has occurred and is continuing;
- . the trust debentures are held by the property trustee and we are in default with respect to our payment of any obligations under the guarantee; or
- . we have given notice of our election to defer interest as provided in the indenture or a deferral period or any extension thereof has commenced and is continuing;

then we will not:

- . declare or pay any dividends or distributions on, or redeem, purchase, acquire, or make a liquidation payment with respect to, any of our capital stock, other than:
  - . dividends or distributions in shares of, or options, warrants or rights to subscribe for or purchase shares of, our common stock;
  - . any declaration of a dividend in connection with the implementation of a shareholders' rights plan, or the issuance of stock under any shareholders' rights plan in the future, or the redemption or repurchase of those rights pursuant thereto;
  - . as a result of a reclassification of our capital stock or the exchange or conversion of one class or series of our capital stock for another class or series of our capital stock;
  - . the purchase of fractional interests in shares of our capital stock pursuant to the conversion or exchange provisions of our capital stock or the security being converted or exchanged; and
  - . purchases of our common stock related to the issuance of our common stock or rights under any of our benefit plans for our directors, officers or employees or any of our dividend reinvestment plans;
- . make any payment of principal, interest or premium, if any, on or repay or repurchase or redeem any of our Debt Securities (including other debentures) that rank pari passu with or junior in right of payment to, in the case of the subordinated trust debentures, the subordinated trust debentures or, in the case of the junior subordinated trust debentures, the junior subordinated trust debentures; or
- . make any guarantee payments (other than payments under the guarantee) with respect to any guarantee by us of the debt securities of any of our subsidiaries (including under other guarantees) if such guarantee ranks pari passu or junior in right of payment to, in the case of the subordinated trust debentures, the subordinated trust debentures or, in the case of the junior subordinated trust debentures, the junior subordinated trust debentures.

We also covenant in the applicable supplement to the Subordinated Indenture or the Junior Subordinated Indenture that, so long as the trust securities remain outstanding, we will:

- . maintain 100% direct or indirect ownership of the trust common securities; provided, however, that any successor to us is permitted under the supplement to the Subordinated Indenture and under the supplement to the Junior Subordinated Indenture to succeed to our ownership of such trust common securities;
- . use our reasonable efforts to cause the Trust:
  - . to remain a business trust, except in connection with (a) the distribution of trust debentures to the holders of trust securities in liquidation of the Trust, (b) the redemption of all of the trust securities and (c) permitted mergers, consolidations or amalgamations, each as permitted by the Trust Agreement;

- . otherwise to continue to be treated as a grantor trust for United States federal income tax purposes; and
- . to use its reasonable efforts to cause each holder of trust securities to be treated as owning an undivided beneficial interest in the trust debentures.

Finally, we covenant in the supplement to the Subordinated Indenture with respect to any subordinated trust debentures and in the supplement to the Junior Subordinated Indenture with respect to any junior subordinated debentures, that so long as the Trust is the holder of all trust debentures, we, as borrower, will pay to the Trust:

- . all fees and expenses related to the Trust and the offering of the trust securities; and
- . all ongoing costs, expenses and liabilities of the Trust (including any taxes, duties, assessments or governmental charges of whatever nature (other than withholding taxes) imposed by the United States or any domestic taxing authority upon the Trust but excluding obligations under the trust securities).

#### Enforcement of Rights by Holders of Trust Preferred Securities

In the applicable supplement to the Subordinated Indenture or the Junior Subordinated Indenture, we have acknowledged that, if an event of default under the trust debentures has occurred and is continuing and is attributable to our failure to pay the principal of (or premium, if any), or interest on the trust debentures on the date the payment is required, a record holder of trust preferred securities may institute a direct action against us to enforce the payment obligation. We may not amend the applicable Indenture to remove this right to bring a direct action without the prior written consent of the holders of all of the trust preferred securities. Notwithstanding any payments made to a holder of trust preferred securities by us in connection with a direct action, we will remain obligated to pay the principal of (or premium, if any) or interest on the trust debentures, and we will be subrogated to the rights of the holder of those trust preferred securities with respect to payments on the trust preferred securities to the extent of any payments made by us to that holder in any direct action.

If an event of default shall have occurred and is continuing under the applicable Indenture and the Trust Agreement, the holders of the trust preferred securities will not be able to exercise directly any remedies, other than those described in the preceding paragraph, available to the holders of the trust debentures. See "Description of Trust Preferred Securities--Events of Default; Notice."

## DESCRIPTION OF GUARANTEE

Described below is a summary of information concerning the guarantee, which will be executed and delivered by us for the benefit of the holders from time to time of trust preferred securities. The guarantee has been qualified under the Trust Indenture Act of 1939. JPMorgan Chase Bank, guarantee trustee, will hold the guarantee for the benefit of the holders of the trust preferred securities. The following summary is not necessarily complete, and reference is hereby made to the copy of the form of the guarantee (including the definitions therein of certain terms), which is filed as an exhibit to the registration statement of which this prospectus forms a part, and to the Trust Indenture Act of 1939.

### General

We will irrevocably and unconditionally agree to pay in full on a subordinated basis (as described below) the following guarantee payments to the holders of the trust preferred securities, as and when due, regardless of any defense, right of setoff or counterclaim that the Trust may have or assert other than the defense of payment. The following guarantee payments with respect to the trust preferred securities, to the extent not paid by or on behalf of the Trust, will be provided under the guarantee:

- . any accumulated and unpaid distributions required to be paid on the trust preferred securities to the extent that the Trust has funds on hand legally available for distributions at that time;
- . the applicable redemption price with respect to the trust preferred securities called for redemption to the extent that the Trust has funds on hand legally available for distributions at that time; and
- . upon a voluntary or involuntary dissolution, winding-up or liquidation of the Trust (other than in connection with the distribution of the trust debentures to holders of the trust preferred securities), the lesser of:
  - . the liquidation distribution to the extent that the Trust has funds on hand legally available for distributions at that time; and
  - . the amount of assets of the Trust remaining available for distribution to holders of trust preferred securities after satisfaction of liabilities to creditors of the Trust as required by applicable law.

The guarantee will constitute a guarantee of payment and not of collection. The guarantee will be held for the benefit of the holders of the trust preferred securities. The guarantee will not be discharged except by payment of the guarantee payments in full to the extent not paid by the Trust or upon distribution to the holders of the trust preferred securities of the trust debentures.

Our obligation to make a guarantee payment may be satisfied by direct payment of the required amounts by us to the holders of the trust preferred securities or by causing the Trust to pay those amounts to those holders.

The guarantee will be a guarantee of the guarantee payments with respect to the trust preferred securities from the time of issuance of the trust preferred securities. It will not, however, apply to distributions and other payments on the trust preferred securities when the Trust does not have sufficient funds legally and immediately available to make distributions or other payments. Therefore, if we do not make interest payments on the trust debentures held by the property trustee, the Trust will not make distributions on the trust preferred securities and we will not be obligated to make the guarantee payments.

### Status of the Guarantee

If the Trust holds subordinated trust debentures issued pursuant to the Subordinated Indenture, the guarantee will rank subordinate and junior in right of payment to all Senior Indebtedness (as that term is defined in the Subordinated Indenture) to the extent provided in that Indenture. If the Trust holds junior subordinated trust debentures issued pursuant to the Junior Subordinated Indenture, the guarantee will rank subordinate and junior

in right of payment to all Superior Indebtedness (as such term is defined in the Junior Subordinated Indenture) to the extent provided therein.

If the Trust holds subordinated trust debentures issued pursuant to the Subordinated Indenture, the guarantee will rank equally with all other guarantees issued by us after the issue date with respect to trust preferred securities, if any, issued by other trusts, if any, also holding subordinated trust debentures. If the Trust holds junior subordinated trust debentures issued pursuant to the Junior Subordinated Indenture, the guarantee will rank equally with all other guarantees issued by us after the issue date with respect to trust preferred securities, if any, issued by other trusts, if any, also holding junior subordinated trust debentures.

We are a holding company and, therefore, our right to participate in any distribution of assets of any subsidiary upon such subsidiary's liquidation or reorganization or otherwise is subject to the prior claims of creditors of that subsidiary, except to the extent we are recognized as a creditor of that subsidiary. Accordingly, our obligations under the guarantee effectively will be subordinated to all existing and future liabilities of our subsidiaries and all liabilities of any of our future subsidiaries. Claimants should look only to us for payments under the guarantee. See "Description of Debt Securities--Provisions Applicable to Senior, Subordinated and Junior Subordinated Debt Securities." The guarantee does not limit us or any of our subsidiaries from incurring or issuing other secured or unsecured debt, including Senior Indebtedness and Superior Indebtedness, whether under the Senior Indenture, the Subordinated Indenture, the Junior Subordinated Indenture or any other indenture that we may enter into in the future or otherwise.

#### Events of Default

An event of default under the guarantee will occur upon our failure to perform any of our payment or other obligations under the guarantee. This is subject to the condition that, with respect to a default other than a default in payment of any guarantee payment, we have received notice of the default and we have not cured the default within 60 days after receipt of that notice. The holders of not less than a majority in liquidation amount of the trust preferred securities will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the guarantee trustee in respect of the guarantee or to direct the exercise of any trust or power conferred upon the guarantee trustee under the guarantee.

Any holder of the trust preferred securities may institute a legal proceeding directly against us to enforce its rights under the guarantee without first instituting a legal proceeding against the trust, the guarantee trustee or any other person or entity.

We, as guarantor, will be required to file annually with the guarantee trustee a certificate as to whether or not we are in compliance with all the conditions and covenants applicable to us under the guarantee.

#### Amendments and Assignment

Except with respect to any changes that do not materially adversely affect the rights of holders of the trust preferred securities (in which case no vote will be required), the guarantee may be amended only with the prior approval of the holders of a majority of the liquidation amount of the outstanding trust preferred securities. The manner of obtaining any necessary approval will be as described under "Description of Trust Securities--Voting Rights; Amendment of the Trust Agreement." All guarantees and agreements contained in the guarantee will bind our successors, assigns, receivers, trustees and representatives and will inure to the benefit of the holders of the trust preferred securities then outstanding.

#### Termination of the Guarantee

The guarantee will terminate and be of no further force and effect upon:

- full payment of the applicable redemption price of the trust preferred securities; or

- . upon liquidation of the Trust, the full payment of the liquidation distribution or the distribution of the trust debentures to the holders of the trust preferred securities.

The guarantee will continue to be effective or will be reinstated, as the case may be, if at any time any holder of the trust preferred securities must restore payment of any sums paid under the trust preferred securities or the guarantee.

#### Information Concerning the Guarantee Trustee

Other than during the occurrence and continuance of a default by us in performance of the guarantee, the guarantee trustee will undertake to perform only those duties that are specifically described in the guarantee and, in case a default with respect to the guarantee has occurred, must exercise the same degree of care and skill as a prudent person would exercise or use in the conduct of his or her own affairs. Subject to this provision, the guarantee trustee will be under no obligation to exercise any of the powers vested in it by the guarantee at the request of any holder of the trust preferred securities unless it is offered reasonable indemnity against the costs, expenses and liabilities that might be incurred thereby.

#### Governing Law

The guarantee will be governed by and construed in accordance with the laws of the State of New York.

RELATIONSHIP AMONG THE TRUST PREFERRED SECURITIES, THE TRUST DEBENTURES AND THE  
GUARANTEE

Full and Unconditional Guarantee

Payments of distributions and other amounts due on the trust preferred securities (to the extent the Trust has funds on hand legally available for the payment of distributions) are irrevocably guaranteed by us to the extent described under "Description of Guarantee." Taken together, our obligations under the trust debentures, the applicable Indenture, the Trust Agreement and the guarantee provide, in the aggregate, a full, irrevocable and unconditional guarantee by us of payments of distributions and other amounts due on the trust preferred securities. No single document standing alone or operating in conjunction with fewer than all of the other documents constitutes this guarantee. It is only the combined operation of these documents that has this effect. If and to the extent that we do not make the required payments on the trust debentures, the Trust will not have sufficient funds to make the related payments, including distributions, on the trust preferred securities. The guarantee will not cover the obligation to make this payment on the trust preferred securities if the Trust does not have sufficient funds on hand legally available for distributions. In that event, the remedy of a holder of trust preferred securities is to institute a direct action against us to enforce our obligation to make the required payments on the trust debentures.

Our obligations under the guarantee are subordinate and junior in right of payment to all Senior Indebtedness (if the Trust holds subordinated trust debentures) or all Superior Indebtedness (if the Trust holds junior subordinated debentures).

Sufficiency of Payments

As long as payments of interest and other payments are made when due on the trust debentures, these payments will be sufficient to cover distributions and other payments due on the trust securities, primarily because:

- . the aggregate principal amount or redemption price of the trust debentures is equal to the sum of the liquidation amount or prepayment price, as applicable, of the trust securities;
- . the interest rate and interest and other payment dates on the trust debentures will match the distribution rate and distribution and other payment dates for the trust securities;
- . we will pay for all and any costs, expenses and liabilities of the Trust except the Trust's obligations to holders of trust securities under the trust securities; and
- . the Trust Agreement will provide that the Trust is not authorized to engage in any activity that is not consistent with the limited purposes of the Trust.

Enforcement Rights of Holders of Trust Preferred Securities

A holder of any trust preferred security may institute a legal proceeding directly against us to enforce its rights under the guarantee without first instituting a legal proceeding against the guarantee trustee, the Trust or any other person or entity.

## Limited Purpose of the Trust

The trust preferred securities represent preferred undivided beneficial interests in the assets of the Trust, and the Trust exists for the sole purpose of:

- . issuing and selling the trust securities;
- . using the proceeds from the sale of the trust securities to acquire the trust debentures; and
- . engaging in only those other activities necessary, advisable or incidental to those other purposes.

A principal difference between the rights of a holder of a preferred security and a holder of a trust debenture is that a holder of a trust debenture will be entitled to receive from us the principal amount of, and premium, if any, and interest on trust debentures held, while a holder of trust preferred securities is entitled to receive distributions from the Trust (or, in certain circumstances, from us under the guarantee) if and to the extent the Trust has funds on hand legally available for the payment of such distributions.

## Rights Upon Dissolution

Unless the trust debentures are distributed to holders of the trust securities, upon any voluntary or involuntary dissolution and liquidation of the Trust, after satisfaction of liabilities to creditors of the Trust as required by applicable law, the holders of the trust securities will be entitled to receive, out of assets held by the Trust, the liquidation distribution in cash. See "Description of Trust Securities--Liquidation of the Trust and Distribution of Trust Debentures." Upon any voluntary or involuntary liquidation or bankruptcy of our Company, the property trustee, as holder of the trust debentures, would be a creditor of our Company:

- . subordinated in right of payment to all Senior Indebtedness if the Trust holds subordinated trust debentures issued pursuant to the Subordinated Indenture, or
- . subordinated in right of payment to all Superior Indebtedness if the Trust holds junior subordinated trust debentures issued pursuant to the Junior Subordinated Indenture,

but entitled to receive payment in full of principal, and premium, if any, and interest, before any of our shareholders receive payments or distributions. Since we will be the guarantor under the guarantee and will agree to pay for all costs, expenses and liabilities of the Trust (other than the Trust's obligations to the holders of its trust securities), the positions of a holder of trust preferred securities and a holder of trust debentures relative to other creditors and to our shareholders in the event of our liquidation or bankruptcy are expected to be substantially the same.

## DESCRIPTION OF CAPITAL STOCK

### General

The following is a general description of some of the provisions of our restated certificate of incorporation and by-laws. The description is qualified by reference to those documents, which are included as exhibits to the registration statement.

### Common Stock

We are authorized to issue 600,000,000 shares of common stock, par value \$2.50 per share. As of November 13, 2001, there were 429,649,135 shares of common stock issued and outstanding and approximately 24,935 holders of record of common stock. The holders of our common stock are entitled to one vote for each share on all matters submitted to a vote of stockholders. The holders of common stock do not have cumulative voting rights in the election of directors.

Subject to the rights of the holders of our preferred stock, the holders of common stock are entitled to receive ratably the dividends, if any, as may be declared by our board of directors out of legally available funds. In the event of liquidation, dissolution or winding up of our Company, the holders of outstanding preferred stock, if any, are, to the extent assets are available, to be paid amounts owed to them. Holders of common stock are then entitled to share ratably in all our remaining assets.

The holders of common stock have no preemptive, subscription, redemptive or conversion rights. The outstanding shares are fully paid and nonassessable. The rights, preferences and privileges of holders of common stock are subject to those of holders of our preferred stock.

### Rights to Purchase Preferred Stock

We are a party to a Restated Rights Agreement dated as of December 1, 1996. Under the Restated Rights Agreement, one preferred share right has been distributed as a dividend for each share of common stock outstanding or issued before the distribution date or termination of the restated rights agreement. Each right entitles the registered holder to purchase from us one two-hundredth of a share of series A junior participating preferred stock, without par value ("Series A Preferred Stock"), of our Company at a price of \$75.00 per one two-hundredth of a share, subject to further adjustment. Until the occurrence of the events described below, the rights are not exercisable, will be evidenced by the certificates for common stock and will not be transferable apart from the common stock.

Detachment of Rights; Exercise. The rights are currently attached to all certificates representing outstanding shares of Halliburton common stock and no separate right certificates have been distributed. The rights will separate from the Halliburton common stock and a distribution date will occur upon the earlier of:

- . ten business days following a public announcement that a person or group of affiliated or associated persons (an "acquiring person") has acquired beneficial ownership of 15% or more of our outstanding voting shares, as defined in the Restated Rights Agreement; and
- . the tenth business day following the commencement or announcement of an intention to commence a tender offer or exchange offer, the consummation of which would result in the beneficial ownership by a person or group of 15% or more of our outstanding voting shares.

The rights are not exercisable until the distribution date. As soon as practicable following the distribution date, separate certificates evidencing the rights will be mailed to holders of record of common stock as of the close of business on the distribution date and the separate right certificates alone will then evidence the rights.

If a person or group were to acquire 15% or more of our voting shares, each right then outstanding, other than rights beneficially owned by the acquiring person which would become null and void, would become a right to buy:

- . that number of shares of common stock; or
- . under some circumstances, the equivalent number of one two-hundredths of a share of Series A Preferred Stock,

that at the time of the acquisition would have a market value of two times the purchase price of the right.

If:

- . our Company is acquired in a merger or other business combination transaction; or
- . more than 50% of the consolidated assets or earning power of our Company were sold,

proper provision is required to be made so that each holder of a right will then have the right to receive the number of shares of common stock of the acquiring company that at the time of the transaction would have a market value of two times the purchase price of the right. The shares would be acquired upon the exercise of the right at the then current purchase price of the right.

Antidilution and Other Adjustments. The number of shares or fractions of a share of Series A Preferred Stock or other securities or property issuable upon exercise of the right, and the purchase price payable, are subject to customary adjustments to prevent dilution. The number of outstanding rights and the number of shares or fractions of a share of Series A Preferred Stock issuable upon exercise of each right are also subject to adjustment if before the distribution date there is:

- . a stock split of the common stock;
- . a stock dividend on the common stock payable in common stock; or
- . subdivisions, consolidations or combinations of the common stock.

Exchange Option. At any time after the acquisition by a person or group of affiliated or associated persons of beneficial ownership of 15% or more of our outstanding voting shares and before the acquisition by a person or group of 50% or more of our outstanding voting shares, we may redeem the rights. A redemption of rights under those circumstances would require us to issue common stock in mandatory redemption of all or part of the outstanding rights, other than rights owned by such person or group that would become null and void. The stock issuance will be at an exchange ratio of one share of common stock, or one two-hundredth of a share of Series A Preferred Stock, for each two shares of common stock for which each right is then exercisable. The redemption exchange rate is subject to adjustment upon the occurrence of any of the events causing an adjustment in the number of outstanding rights.

Redemption of Rights. At any time before the first public announcement that a person or group has become the beneficial owner of 15% or more of our outstanding voting shares, we may redeem all but not less than all the then outstanding rights at a redemption price of \$.01 per right. Our board of directors, in its sole discretion, may establish the time, basis and conditions of the redemption for the rights. After redemption of the rights, the only right of the holders of rights will be to receive the redemption price.

Expiration; Amendment of Rights. The rights will expire on December 15, 2005, unless earlier redeemed or exchanged. The terms of the rights may be amended by our board of directors without the consent of the holders of the rights, including an amendment to extend the expiration date of the rights. If a distribution date has not occurred, an amendment may extend the period during which the rights may be redeemed. After the first public announcement that a person or group has become the beneficial owner of 15% or more of the outstanding voting shares, however, no amendment may materially and adversely affect the interests of the holders of the rights.

The rights have anti-takeover effects. The rights will cause substantial dilution to a person or group that attempts to acquire our Company without the approval of our board of directors. The rights should not, however, interfere with any merger or other business combination that is approved by our board of directors.

This description of the rights is qualified by reference to the restated rights agreement, a copy of which is filed as an exhibit to the registration statement.

#### Preferred Stock

General. We are authorized to issue 5,000,000 shares of preferred stock, without par value, of which 3,000,000 shares have been designated as Series A Preferred Stock. No shares of preferred stock were outstanding at September 30, 2001. Our board of directors has authority, without stockholder approval, to issue shares of preferred stock in one or more series and to determine the number of shares, designations, dividend rights, conversion rights, voting power, redemption rights, liquidation preferences and other terms of the series. The issuance of preferred stock, while providing desired flexibility in connection with possible acquisitions and other corporate purposes, could adversely affect the voting power of holders of common stock. The issuance of preferred stock could also reduce the likelihood that holders of common stock will receive dividend payments and payments upon liquidation. Issuance of preferred stock could also have the effect of delaying, deferring or preventing a change in control of our Company.

Series A Preferred Stock. The terms of the Series A Preferred Stock are designed so that the value of each one-hundredth of a share purchasable upon exercise of a right will approximate the value of one share of common stock. The Series A Preferred Stock is nonredeemable and will rank junior to all other series of preferred stock. Each whole share of Series A Preferred Stock is entitled to receive a cumulative quarterly preferential dividend in an amount per share equal to the greater of:

- . \$1.00 in cash; or
- . in the aggregate, 100 times the dividend declared on the Halliburton common stock.

In the event of liquidation, the holders of the Series A Preferred Stock are entitled to receive a preferential liquidation payment equal to the greater of:

- . \$100.00 per share; or
- . in the aggregate, 100 times the payment made on the common stock,

plus, in either case, the accrued and unpaid dividends and distributions.

In the event of any merger, consolidation or other transaction in which the common stock is exchanged for or changed into other stock or securities, cash or property, each whole share of Series A Preferred Stock is entitled to receive 100 times the amount received per share of common stock. Each whole share of Series A Preferred Stock is entitled to 100 votes on all matters submitted to a vote of our stockholders. Holders of Series A Preferred Stock will generally vote together as one class with the holders of common stock and any other capital stock on all matters submitted to a vote of our stockholders.

#### Specific Provisions of Our Charter and By-laws

Our certificate of incorporation contains provisions authorizing the indemnification of persons who become parties to any threatened, pending or completed action, suit or proceeding because the person is or was a director, officer, employee or agent of our Company. This includes any individual who is or was serving at our request as a director, officer, employee or agent of another corporation or enterprise. These individuals are indemnified against expenses and damages incurred in that litigation. Our certificate of incorporation also contains provisions

that, in accordance with Delaware law, limit the liability of our directors for breach of fiduciary duty. Under these provisions, our directors may be liable for breach of fiduciary duty only:

- . under Section 174 of the General Corporate Law of the State of Delaware, relating to the payment of unlawful dividends and unlawful purchases of stock of the corporation; or
- . if, in addition to any and all other requirements for liability, any director:
  - . shall have breached the duty of loyalty to our Company;
  - . in acting or failing to act, shall not have acted in good faith or shall have acted in a manner involving intentional misconduct or a knowing violation of law; or
  - . shall have derived an improper personal benefit.

The provisions of our certificate of incorporation may be amended or repealed by the vote of holders of a majority of the outstanding capital stock of Halliburton entitled to vote.

Except in the case of nominations by or at the direction of our board of directors, written notice must be given of any nomination of a director:

- . with respect to an election to be held at an annual meeting of stockholders, not later than ninety days before the first anniversary of the immediately preceding annual meeting; and
- . with respect to an election to be held at a special meeting of stockholders, not later than the close of business on the tenth day following the day of notice of the meeting.

Except in the case of a national emergency, all actions taken by our board of directors require the affirmative vote of a majority of the directors present at a meeting at which a quorum is present. Our by-laws provide that the number of directors on our board of directors may be increased or decreased with the approval of a majority of the then authorized number of directors. Also, newly created directorships resulting from any increase in the authorized number of directors and any vacant directorships may be filled by the affirmative vote of a majority of the directors then in office.

Our by-laws may be adopted, amended or rescinded by the vote of a majority of our board of directors or by the majority of the outstanding shares of capital stock entitled to vote.

Transfer Agent and Registrar

The transfer agent and registrar for the common stock is Mellon Investor Services, LLC.

#### DESCRIPTION OF DEPOSITARY SHARES

At our option we may offer fractional shares of preferred stock, rather than full shares of preferred stock. If we decide to offer fractional shares of preferred stock, we will issue to the public receipts for depositary shares. Each depositary share will represent a fraction of a share of a particular series of preferred stock, and the applicable prospectus supplement will indicate the size of that fraction. The shares of any series of preferred stock represented by depositary shares will be deposited with a depositary pursuant to a deposit agreement between us and a depositary. The latter will be a bank or trust company that we select and that has its principal office in the United States and a combined capital and surplus of at least \$50 million. Subject to the terms of the deposit agreement, each owner of a depositary share will be entitled, in proportion to the applicable fraction of a share of preferred stock represented by such depositary share, to all the rights and preferences of the preferred stock (including dividend, voting, redemption and liquidation rights).

The depositary shares will be evidenced by depositary receipts issued pursuant to the deposit agreement. Depositary receipts will be distributed to those persons purchasing the fractional shares of preferred stock in accordance with the terms of the offering. Copies of the forms of deposit agreement and depositary receipt are filed as exhibits to the registration statement of which this prospectus is a part, and the following summary is qualified in its entirety by reference to those exhibits.

If required by law or applicable securities exchange rules, engraved depositary receipts will be prepared. Pending the preparation of definitive engraved depositary receipts, the depositary may, upon our written order, issue temporary depositary receipts substantially identical to (and entitling the holders thereof to all the rights pertaining to) the definitive depositary receipts but not in definitive form. Definitive depositary receipts will be prepared without unreasonable delay, and temporary depositary receipts will be exchangeable for definitive depositary receipts at our expense.

#### Dividends

The depositary will distribute all cash dividends or other cash distributions received in respect of the preferred stock to the record holders of depositary shares relating to the preferred stock in proportion to the number of such depositary shares owned by those holders.

In the event of a distribution other than in cash, the depositary will distribute property received by it to the record holders of depositary shares, unless the depositary determines that it is not feasible to make the distribution, in which case the depositary may, with our approval, sell the property and distribute the net proceeds from the sale to the holders.

#### Redemption of Depositary Shares

If a series of preferred stock represented by depositary shares is subject to redemption, the depositary shares will be redeemed from the proceeds received by the depositary resulting from the redemption, in whole or in part, of the series of preferred stock held by the depositary. The redemption price per depositary share will be equal to the applicable fraction of the redemption price per full share payable with respect to the series of the preferred stock. If we redeem shares of preferred stock held by the depositary, the depositary will redeem as of the same redemption date the number of depositary shares representing the shares of preferred stock so redeemed. If fewer than all the depositary shares are to be redeemed, the depositary shares to be redeemed will be selected by lot or pro rata as may be determined by the depositary.

#### Voting of Underlying Shares

Upon receipt of notice of any meeting at which the holders of the preferred stock are entitled to vote, the depositary will mail the information contained in the notice of meeting to the record holders of the depositary shares relating to the preferred stock. Each record holder of depositary shares on the record date (which will be the same date as the record date for the preferred stock) will be entitled to instruct the depositary as to the exercise of the voting rights pertaining to the amount of the preferred stock represented by the holder's depositary shares. The depositary will endeavor, insofar as practicable, to vote the amount of the preferred stock represented by the depositary shares in accordance with those instructions, and we will agree to take all action that may be deemed necessary by the depositary in order to enable the depositary to do so. The depositary will abstain from voting shares of the preferred stock to the extent it does not receive specific instructions from the holders of depositary shares representing the preferred stock.

#### Amendment and Termination of Deposit Agreement

The form of depositary receipt evidencing the depositary shares and any provision of the applicable deposit agreement may at any time be amended by agreement between us and the depositary. We may, with the consent

of the depositary, amend the deposit agreement from time to time in any manner that we desire. If the amendment would materially and adversely alter the rights of the existing holders of depositary shares, however, the amendment must be approved by the holders of at least a majority of the depositary shares then outstanding.

The deposit agreement may be terminated by us or the depositary if:

- . all outstanding depositary shares have been redeemed; or
- . there has been a final distribution in respect of the shares of preferred stock of the applicable series in connection with the liquidation, dissolution or winding up of our Company and the distribution has been made to the holders of depositary receipts.

#### Charges of Depositary

We will pay all transfer and other taxes and governmental charges arising solely from the existence of the depositary arrangements. We will pay charges of the depositary in connection with the initial deposit of the preferred stock and any redemption of the preferred stock. Holders of depositary receipts will pay other transfer and other taxes and governmental charges and such other charges, including a fee for the withdrawal of shares of preferred stock upon surrender of depositary receipts, as are expressly provided in the deposit agreement to be for their accounts.

#### Withdrawal of Preferred Stock

Upon surrender of depositary receipts at the principal office of the depositary, subject to the terms of the deposit agreement, the owner of the depositary shares evidenced by the depositary receipts is entitled to delivery of the number of whole shares of preferred stock and all money and other property, if any, represented by those depositary shares. Partial shares of preferred stock will not be issued. If the depositary receipts delivered by the holder evidence a number of depositary shares in excess of the number of depositary shares representing the number of whole shares of preferred stock to be withdrawn, the depositary will deliver to the holder at the same time a new depositary receipt evidencing the excess number of depositary shares. Holders of preferred stock thus withdrawn will not thereafter be entitled to deposit those shares under the deposit agreement or to receive depositary receipts evidencing depositary shares in exchange for those preferred shares.

#### Miscellaneous

The depositary will forward to holders of depositary receipts all reports and communications from us that are delivered to the depositary and that we are required to furnish to the holders of the preferred stock.

Neither we nor the depositary will be liable if the depositary is prevented or delayed by law or any circumstance beyond its control in performing its obligations under the deposit agreement. Our obligations and the obligations of the depositary under the deposit agreement will be limited to performance in good faith of our respective duties under that agreement and we will not be obligated to prosecute or defend any legal proceeding in respect of any depositary shares or preferred stock unless satisfactory indemnity is furnished. We may rely upon written advice of counsel or accountants or upon information provided by persons presenting preferred stock for deposit, holders of depositary receipts or other persons believed to be competent and on documents believed to be genuine.

#### Resignation and Removal of Depositary

The depositary may resign at any time by delivering to us notice of its election to do so, and we may at any time remove the depositary, any resignation or removal to take effect upon the appointment of a successor depositary and its acceptance of the appointment. A successor depositary must be appointed within 60 days after delivery of the notice of resignation or removal and must be a bank or trust company having its principal office in the United States and having a combined capital and surplus of at least \$50 million.

## DESCRIPTION OF WARRANTS

We may issue warrants to purchase our debt securities, preferred stock, depositary shares or common stock. We may issue warrants independently or together with any other securities offered by any prospectus supplement and the warrants may be attached to or separate from those securities. Each series of warrants will be issued under a separate warrant agreement to be entered into between us and a bank or trust company, as warrant agent, all as described in the prospectus supplement relating to the particular issue of warrants. The warrant agent will act solely as our agent in connection with the warrants and will not assume any obligation or relationship of agency or trust with any of the holders of the warrants. We will describe further terms of the warrants and the applicable warrant agreements in the applicable prospectus supplement relating to the issuance of any warrants.

Warrants will be issued in registered form only. The exercise price for warrants will be subject to adjustment in accordance with the applicable prospectus supplement.

### Debt Warrants

The prospectus supplement relating to a particular issue of warrants to issue debt securities will describe the terms of those warrants, including the following:

- . the title of the warrants;
- . the offering price for the warrants, if any;
- . the aggregate number of the warrants;
- . the designation and terms of the debt securities purchasable upon exercise of the warrants;
- . if applicable, the designation and terms of the debt securities that the warrants are issued with and the number of warrants issued with each debt security;
- . if applicable, the date from and after which the warrants and any debt securities issued with them will be separately transferable;
- . the principal amount of debt securities that may be purchased upon exercise of a warrant and the price at which the debt securities may be purchased upon exercise;
- . the dates on which the right to exercise the warrants will commence and expire (each, an "Expiration Date");
- . if applicable, the minimum or maximum amount of the warrants that may be exercised at any one time;
- . whether the debt securities that may be issued upon exercise of the warrants will be issued in registered or bearer form;
- . information relating to book-entry procedures, if any;
- . the currency or currency units in which the offering price, if any, and the exercise price are payable;
- . if applicable, a discussion of material United States federal income tax considerations;
- . anti-dilution provisions of the warrants, if any;
- . redemption or call provisions, if any, applicable to the warrants;
- . any additional terms of the warrants, including terms, procedures and limitations relating to the exchange and exercise of the warrants; and
- . any other information we think is important about the warrants.

## Stock or Depositary Share Warrants

The prospectus supplement relating to a particular issue of warrants to issue common stock, preferred stock or depositary shares will describe the terms of the common stock warrants, the preferred stock warrants or the depositary share warrants, including the following:

- . the title of the warrants;
- . the offering price for the warrants, if any;
- . the aggregate number of the warrants;
- . the designation and terms of the common stock, preferred stock or depositary shares that may be purchased upon exercise of the warrants;
- . if applicable, the designation and terms of the securities that the warrants are issued with and the number of warrants issued with each security;
- . if applicable, the date from and after which the warrants and any securities issued with the warrants will be separately transferable;
- . the number of shares of common stock, preferred stock or depositary shares that may be purchased upon exercise of a warrant and the price at which the shares may be purchased upon exercise;
- . the dates on which the right to exercise the warrants commence and expire;
- . if applicable, the minimum or maximum amount of the warrants that may be exercised at any one time;
- . the currency or currency units in which the offering price, if any, and the exercise price are payable;
- . if applicable, a discussion of material United States federal income tax considerations;
- . antidilution provisions of the warrants, if any;
- . redemption or call provisions, if any, applicable to the warrants;
- . any additional terms of the warrants, including terms, procedures and limitations relating to the exchange and exercise of the warrants; and
- . any other information we think is important about the warrants.

## Exercise of Warrants

Each warrant will entitle the holder to purchase a principal amount of debt securities or a number of shares of preferred stock, depositary shares or common stock at an exercise price in each case set forth in, or calculable from, the prospectus supplement relating to the warrants. This exercise price may be subject to adjustment upon the occurrence of specified events as described in the applicable prospectus supplement. After the close of business on the applicable Expiration Date (or any later date to which the Expiration Date may be extended by us), unexercised warrants will become void. The place or places where, and the manner in which, warrants may be exercised will be specified in the applicable prospectus supplement.

Prior to the exercise of any warrants to purchase debt securities, preferred stock, depositary shares or common stock, holders of the warrants will not have any of the rights of holders of debt securities, preferred stock, depositary shares or common stock, as the case may be, purchasable upon the exercise of the warrants. These rights, including the right to receive payments of principal of, premium, if any, or interest, if any, on the debt securities subject to the warrants, the right to enforce covenants in the applicable indenture, the right to receive payments of dividends, if any, on the preferred stock, depositary shares or common stock subject to the warrants and any applicable right to vote, will accrue to holders only upon exercise of the warrants.

## DESCRIPTION OF STOCK PURCHASE CONTRACTS

We may issue stock purchase contracts, including contracts obligating holders to purchase from us, and obligating us to sell to the holders, a specified number of shares of common stock or other securities at a future date or dates, which we refer to in this prospectus as "stock purchase contracts." The price per share of the securities and the number of shares of the securities may be fixed at the time the stock purchase contracts are issued or may be determined by reference to a specific formula described in the stock purchase contracts. The stock purchase contracts may be issued separately or as part of units consisting of a stock purchase contract and debt securities, preferred securities, warrants or debt obligations of third parties, including U.S. treasury securities, securing the holders' obligations to purchase the securities under the stock purchase contracts, which we refer to herein as "stock purchase units." The stock purchase contracts may require holders to secure their obligations under the stock purchase contracts in a specified manner. The stock purchase contracts also may require us to make periodic payments to the holders of the stock purchase units or vice versa, and those payments may be unsecured or refunded on some basis.

The applicable prospectus supplement will describe the terms of the stock purchase contracts or stock purchase units. The description in the prospectus supplement will not necessarily be complete, and reference will be made to the stock purchase contracts, and, if applicable, collateral or depository arrangements, relating to the stock purchase contracts or stock purchase units, which will be filed with the SEC each time we issue stock purchase contracts or stock purchase units. Material United States federal income tax considerations applicable to the stock purchase units and the stock purchase contracts will also be discussed in the applicable prospectus supplement.

## PLAN OF DISTRIBUTION

Any of the securities being offered pursuant to this prospectus may be sold in any one or more of the following ways from time to time:

- . through agents;
- . to or through underwriters;
- . through dealers; and
- . directly by us; or
- . in the case of trust preferred securities, by the Trust to purchasers.

The distribution of the securities may be effected from time to time in one or more transactions at a fixed price or prices, which may be changed, at market prices prevailing at the time of sale, at prices related to the prevailing market prices or at negotiated prices.

### Sales through Agents

Offers to purchase securities may be solicited by agents designated by us from time to time. Any agent involved in the offer or sale of the securities in respect of which this prospectus is delivered will be named, and any commissions payable by us or the Trust to the agent will be set forth, in the applicable prospectus supplement. The applicable prospectus supplement will also describe the specific terms of the offering including (1) the purchase price or initial offering price of the securities being offered, (2) the net proceeds we will receive from the sale of the securities, (3) any over-allotment options under which underwriters may purchase additional securities from us or the Trust, (4) any agency fees or underwriting discounts and other items constituting agents' or underwriters' compensation and (5) any discounts or concessions allowed or reallocated or paid to dealers. Unless otherwise indicated in such prospectus supplement, the agent will be acting on a reasonable best efforts basis for the period of its appointment. The agent may be deemed to be an underwriter, as that term is defined in the Securities Act of 1933, of the securities so offered and sold.

## Sales through Underwriters or Dealers

If securities are sold by means of an underwritten offering, we and, in the case of an offering of trust preferred securities, the Trust will execute an underwriting agreement with an underwriter or underwriters at the time an agreement for such sale is reached. The names of the specific managing underwriter or underwriters, as well as any other underwriters, the respective amounts underwritten and the terms of the transaction, including commissions, discounts and any other compensation of the underwriters and dealers, if any, will be described in the applicable prospectus supplement. The applicable prospectus supplement will be used by the underwriters to make resales of the securities in respect of which this prospectus is being delivered to the public. If underwriters are utilized in the sale of any securities in respect of which this prospectus is being delivered, the securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at fixed public offering prices or at varying prices determined by the underwriters at the time of sale. Securities may be offered to the public either through underwriting syndicates represented by managing underwriters or directly by one or more underwriters. If any underwriter or underwriters are utilized in the sale of securities, unless otherwise indicated in the applicable prospectus supplement, the underwriting agreement will provide that the obligations of the underwriters are subject to specified conditions precedent and that the underwriters with respect to a sale of the securities will be obligated to purchase all the securities if any are purchased.

We or the Trust, as applicable, may grant to the underwriters options to purchase additional securities, to cover over-allotments, if any, at the initial public offering price (with additional underwriting commissions or discounts), as may be described in the applicable prospectus supplement. If we or the Trust, as applicable, grant any over-allotment options, the terms of the over-allotment options will be described in the prospectus supplement for those securities.

If a dealer is utilized in the sale of the securities in respect of which this prospectus is delivered, we or the Trust, as applicable, will sell the securities to the dealer as principal. The dealer may then resell the securities to the public at varying prices to be determined by the dealer at the time of resale. The dealer may be deemed to be an underwriter, as that term is defined in the Securities Act of 1933, of the securities so offered and sold. The name of the dealer and the terms of the transaction will be described in the applicable prospectus supplement.

## Direct Sales

Offers to purchase securities may be solicited directly by us or the Trust, as applicable, and the sale of those securities may be made by us or the Trust directly to institutional investors or others, who may be deemed to be underwriters within the meaning of the Securities Act of 1933 with respect to any resale of the securities. The terms of any sales of this nature will be described in the applicable prospectus supplement.

## Remarketing Agreements

Securities may also be offered and sold, if indicated in the applicable prospectus supplement, pursuant to a remarketing arrangement following the redemption or repurchase of the securities in accordance with their terms, by one or more firms ("remarketing firms"), acting as principals for their own accounts or as agents for us or the Trust, as applicable. Any remarketing firm will be identified and the terms of its agreement, if any, with us or the Trust and its compensation will be described in the applicable prospectus supplement. Remarketing firms may be deemed to be underwriters, as that term is defined in the Securities Act of 1933, in connection with the securities remarketed.

## Delayed Delivery Contracts

If so indicated in the applicable prospectus supplement, we or the Trust, as applicable, may authorize agents and underwriters to solicit offers by institutions to purchase securities from us or the Trust at the public offering price described in the applicable prospectus supplement pursuant to delayed delivery contracts providing for

payment and delivery on the date or dates stated in the applicable prospectus supplement. These delayed delivery contracts will be subject to only those conditions described in the applicable prospectus supplement. A commission indicated in the applicable prospectus supplement will be paid to underwriters and agents soliciting purchases of securities pursuant to delayed delivery contracts accepted by us or the Trust, as applicable.

#### General Information

Agents, underwriters, dealers and remarketing firms may be entitled under relevant agreements with us or the Trust, as applicable, to indemnification by us or the Trust against specified liabilities, including liabilities under the Securities Act of 1933, or to contribution with respect to payments that such agents, underwriters, dealers and remarketing firms may be required to make in those capacities.

Each series of securities will be a new issue and, other than the common stock, which is listed on The New York Stock Exchange, Inc., will have no established trading market. We may elect to list any series of securities on an exchange, and in the case of common stock, on any additional exchange, but, unless otherwise specified in the applicable prospectus supplement, we shall not be obligated to do so. No assurance can be given as to the liquidity of the trading market for any of the securities.

Agents, underwriters, dealers and remarketing firms may be customers of, engage in transactions with, or perform services for, us and our subsidiaries in the ordinary course of business.

#### VALIDITY OF SECURITIES

The validity of the securities (other than the preferred securities of the trust) will be passed upon for us by Vinson & Elkins L.L.P., Houston, Texas, and will be passed upon for any agents, dealers or underwriters by counsel named in the applicable prospectus supplement. The validity of the trust preferred securities of the trust under Delaware law will be passed upon for our Company and the Trust by Morris, Nichols, Arsht & Tunnell, special Delaware counsel to our Company and the Trust.

#### EXPERTS

Our audited consolidated financial statements and schedules, incorporated by reference in this registration statement, have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their report with respect to those financial statements and schedules, and are incorporated in this prospectus in reliance upon the authority of said firm as experts in accounting and auditing in giving said report.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The expenses in connection with the issuance and distribution of the securities being registered are estimated as follows:

Registration Fee.....	\$239,000
Legal fees and expenses.....	125,000
Accounting fees and expenses...	30,000
Printing and engraving expenses	75,000
Trustee's fees and expenses....	20,000
Depository's fees and expenses.	10,000
Rating Agency Fees.....	75,000
Miscellaneous expenses.....	10,000
	-----
Total.....	\$584,000
	=====

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 145 of the General Corporation Law of the State of Delaware or DGCL, provides that a Delaware corporation has the power, under specified circumstances, to indemnify its directors, officers, employees, and agents. Indemnification is allowed in connection with threatened, pending, or completed actions, suits, or proceedings, whether civil, criminal, administrative, or investigative, other than an action by or in right of the corporation, brought against them by reason of the fact that they were or are directors, officers, employees, or agents, for:

- . expenses, judgments, and fines; and
- . amounts paid in settlement actually and reasonably incurred in any action, suit, or proceeding.

Article X of Halliburton's restated certificate of incorporation together with Section 47 of its by-laws provide for mandatory indemnification of each person who is or was made a party to any actual or threatened civil, criminal, administrative, or investigative action, suit, or proceeding because:

- . the person is or was an officer or director of the registrant; or
- . is a person who is or was serving at the request of Halliburton as a director, officer, employee, or agent of another corporation or of a partnership, joint venture, trust, or other enterprise,

to the fullest extent permitted by the DGCL as it existed at the time the indemnification provisions of Halliburton's restated certificate of incorporation and the by-laws were adopted or as each may be amended. Section 47 of Halliburton's by-laws and Article X of its restated certificate of incorporation expressly provide that they are not the exclusive methods of indemnification.

Section 47 of the by-laws provides that Halliburton may maintain insurance, at its own expense, to protect itself and any director or officer of Halliburton or of another entity against any expense, liability, or loss. This insurance coverage may be maintained regardless of whether Halliburton would have the power to indemnify the person against the expense, liability, or loss under the DGCL.

Section 102(b)(7) of the DGCL provides that a certificate of incorporation may contain a provision eliminating or limiting the personal liability of a director to the corporation or its stockholders for monetary

damages for breach of fiduciary duty as a director. However, that provision shall not eliminate or limit the liability of a director:

- . for any breach of the director's duty of loyalty to the corporation or its stockholders;
- . for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- . under Section 174 of the DGCL, relating to liability for unauthorized acquisitions or redemptions of, or dividends on, capital stock; or
- . for any transaction from which the director derived an improper personal benefit.

Article XV of Halliburton's restated certificate of incorporation contains this type of provision.

The Trust Agreement provides that Halliburton shall indemnify, to the fullest extent permitted by law, any administrative trustee or affiliate thereof and any officers, directors, stockholders, members, partners, employees, representatives or agents of any administrative trustee and any officer, employee or agent of the Trust or its affiliates (each a "Company Indemnified Person") who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by reason of the fact that he is or was a Company Indemnified Person against expenses (including attorneys' fees and expenses), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding except that no Company Indemnified Person shall be indemnified for his own gross negligence or willful misconduct.

The Trust Agreement provides that if a Company Indemnified Person is adjudged liable in an action that is brought by or in the right of the Trust, no such indemnification shall be made in respect of any such claim, issue or matter unless and only to the extent that the Court of Chancery of Delaware or the court in which such action or suit was brought shall determine that such Company Indemnified Person, in view of all the circumstances of the case, is fairly and reasonably entitled to indemnity for such expenses which such Court of Chancery or such other court shall deem proper. To the extent that a Company Indemnified Person shall be successful on the merits or otherwise (including dismissal of an action without prejudice or the settlement of an action without admission of liability) in defense of any action, suit or proceeding, or in the defense of any claim, issue or matter therein, he shall be indemnified, to the full extent permitted by law, against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

Expenses (including attorneys' fees and expenses) incurred by a Company Indemnified Person in defending a civil, criminal, administrative or investigative action, suit or proceeding shall be advanced by Halliburton in certain circumstances.

The Trust Agreement also provides that Halliburton will indemnify the (i) property trustee, (ii) the Delaware trustee, (iii) any affiliate of the property trustee or the Delaware trustee, and (iv) any officers, directors, shareholders, members, partners, employees, representatives, custodians, nominees or agents of the property trustee or the Delaware trustee (each a "Fiduciary Indemnified Person") for, and to hold each Fiduciary Indemnified Person harmless against, any and all loss, liability, damage, claim or expense including taxes (other than taxes based on the income of such Fiduciary Indemnified Person) incurred without gross negligence (or, in the case of the property trustee, negligence) or willful misconduct on its part, arising out of or in connection with the acceptance or administration of the trust or trusts hereunder, including the costs and expenses (including reasonable legal fees and expenses) of defending itself against or investigating any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

ITEM 16. EXHIBITS

- \*\*1.1 -- Proposed Form of Underwriting Agreement.
- 4.1 -- Restated Certificate of Incorporation of Halliburton Company filed with the Secretary of State of Delaware on July 23, 1998 (incorporated by reference to Exhibit 3(a) to Halliburton's Form 10-Q for the quarter ended June 30, 1998).
- 4.2 -- Bylaws of Halliburton Company revised effective May 16, 2000 (incorporated by reference to Exhibit 3 to Halliburton's Form 10-Q for the quarter ended June 30, 2000).
- \*\*4.3 -- Form of Debt Securities.
- 4.4 -- Second Senior Indenture dated as of December 1, 1996 between the predecessor of Halliburton Company (the "Predecessor") and Texas Commerce Bank National Association, as trustee, as supplemented and amended by the First Supplemental Indenture dated as of December 5, 1996 between the Predecessor and the trustee and the Second Supplemental Indenture dated as of December 12, 1996 among the Predecessor, Halliburton Company and the trustee (incorporated by reference to Exhibit 4.2 of Halliburton's Registration Statement on Form 8-B dated December 12, 1996, File No. 1-03492).
- 4.5 -- Third Supplemental Indenture dated as of August 1, 1997 between Halliburton Company and Texas Commerce Bank National Association, as trustee, to the Second Senior Indenture dated as of December 1, 1996 (incorporated by reference to Exhibit 4.7 to Halliburton's Form 10-K for the year ended December 31, 1998).
- 4.6 -- Fourth Supplemental Indenture dated as of September 29, 1998 between Halliburton Company and Chase Bank of Texas, National Association (formerly Texas Commerce Bank National Association), as trustee, to the Second Senior Indenture dated as of December 1, 1996 (incorporated by reference to Exhibit 4.8 to Halliburton's Form 10-K for the year ended December 31, 1998).
- 4.7 -- Subordinated Indenture dated as of January 2, 1991 between the Predecessor and Texas Commerce Bank National Association, as trustee (incorporated by reference to Exhibit 4(c) to the Predecessor's Registration Statement on Form S-3 (File No. 33-38394) originally filed with the Securities and Exchange Commission on December 21, 1990), as supplemented and amended by the First Supplemental Indenture dated as of December 12, 1996 among the Predecessor, Halliburton Company and the trustee (incorporated by reference to Exhibit 4.3 of Halliburton's Registration Statement on Form 8-B dated December 12, 1996, File No. 1-03492).
- \*4.8 -- Junior Subordinated Indenture dated November 29, 2001 between Halliburton Company and JPMorgan Chase Bank, as trustee.
- \*4.9 -- Certificate of Trust of Halliburton Capital Trust I.
- \*4.10 -- Declaration of Trust of Halliburton Capital Trust I.
- \*4.11 -- Form of Amended and Restated Declaration of Trust of Halliburton Capital Trust I.
- 4.12 -- Form of Trust Preferred Security Certificate for Halliburton Capital Trust I (included in Exhibit 4.11).
- \*\*4.13 -- Form of Trust Debentures of Halliburton Company.
- \*4.14 -- Form of Preferred Securities Guarantee in respect of Halliburton Capital Trust I, with respect to the Trust Preferred Securities.
- \*\*4.15 -- Form of Warrants.
- \*\*4.16 -- Form of Depositary Agreement.
- \*\*4.17 -- Form of Depositary Receipt.
- \*\*4.18 -- Form of Stock Purchase Contracts.

- \*\*4.19 -- Form of Stock Purchase Units.
- \*4.20 --- Form of [First] [Second] Supplemental Indenture between Halliburton and JPMorgan Chase Bank, as trustee, supplementing and amending the [Subordinated Indenture] [Junior Subordinated Indenture].
- \*5.1 -- Opinion of Vinson & Elkins L.L.P. (as to the validity of the securities (other than the trust preferred securities)).
- \*5.2 -- Opinion of Morris, Nichols, Arsht & Tunnell, special counsel to Halliburton Company and Halliburton Capital Trust I, as to the validity of the trust preferred securities.
- \*12.1 -- Computation of ratios of Combined Fixed Charges and Preference Dividends to Earnings.
- \*23.1 -- Consent of Arthur Andersen LLP (included in the Registration Statement).
- 23.2 -- Consent of Vinson & Elkins L.L.P. (included in Exhibit 5.1).
- 23.3 -- Consent of Morris, Nichols, Arsht & Tunnell, special counsel to Halliburton Company and Halliburton Capital Trust I (included in Exhibit 5.2).
- 24.1 -- Powers of Attorney (included in signature page).
- \*25.1 -- Form T-1 Statement of Eligibility and Qualification under the Trust Indenture Act of 1939 of the Trustee under the Junior Subordinated Indenture and under the Guarantee with respect to the Trust Preferred Securities.
- \*25.2 -- Form T-1 Statement of Eligibility and Qualification under the Trust Indenture Act of 1939 of the Property Trustee under the Declaration of Trust of the Trust.

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\*Filed herewith

\*\*To be filed by amendment or in a Current Report on Form 8-K.

#### ITEM 17. UNDERTAKING

Each undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post effective amendment to this Registration Statement:

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

(ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) under the Securities Act of 1933 if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed on the Registration Statement or any material change to such information in the Registration Statement;

provided, however, that paragraphs (1)(i) and (1)(ii) do not apply if information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the Registration Statement.

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

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

That, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the Registration Statement shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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

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

That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment that contains a form of prospectus shall be deemed to be a new Registration Statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

The registrants hereby undertake to file an application for the purpose of determining the eligibility of the trustee to act under subsection (a) of Section 310 of the Trust Indenture Act ("Act") in accordance with the rules and regulations prescribed by the Securities and Exchange Commission under Section 305(b)(2) of the Act.



Signatures

Titles

/s/ R. CHARLES MUCHMORE, JR.// ----- R. Charles Muchmore, Jr.	Vice President, Controller and Chief Accounting Officer
/s/ LORD CLITHEROE ----- Lord Clitheroe	Director
/s/ ROBERT L. CRANDALL ----- Robert L. Crandall	Director
/s/ KENNETH T. DERR ----- Kenneth T. Derr	Director
/s/ CHARLES J. DIBONA ----- Charles J. DiBona	Director
/s/ LAWRENCE S. EAGLEBURGER ----- Lawrence S. Eagleburger	Director
/s/ W.R. HOWELL ----- W.R. Howell	Director
/s/ RAY L. HUNT ----- Ray L. Hunt	Director
/s/ AYLWIN B. LEWIS ----- Aylwin B. Lewis	Director
/s/ J. LANDIS MARTIN ----- J. Landis Martin	Director
/s/ JAY A. PRECOURT ----- Jay A. Precourt	Director
/s/ DEBRA L. REED ----- Debra L. Reed	Director
/s/ C. J. SILAS ----- C. J. Silas	Director

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed on behalf of Halliburton Capital Trust I by the following persons in the capacities indicated, on December 3, 2001.

Signature -----	Title -----
/s/ SUSAN S. KEITH ----- Susan S. Keith	Administrative Trustee
/s/ JOHN M. ALLEN ----- John M. Allen	Administrative Trustee
/s/ BRUCE A. METZINGER ----- Bruce A. Metzinger	Administrative Trustee

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this registration statement on Form S-3 of our report dated January 30, 2001 (except with respect to the matters discussed in Notes 9 and 19, as to which the date is March 23, 2001) included in Halliburton Company's Form 10-K for the year ended December 31, 2000 and to all references to our Firm included in this registration statement.

/s/ Arthur Andersen LLP  
ARTHUR ANDERSEN LLP

Dallas, Texas,  
November 30, 2001

HALLIBURTON COMPANY  
AND  
JPMORGAN CHASE BANK  
JUNIOR SUBORDINATED INDENTURE  
Dated as of November 29, 2001

CROSS REFERENCE SHEET

Provisions of Trust Indenture Act of 1939 and Junior Subordinated Indenture to be dated as of November 29, 2001 between HALLIBURTON COMPANY and JPMORGAN CHASE BANK, Trustee:

Section of the Act -----	Section of Indenture -----
310(a) (1), (2) and (5) .....	6.9
310(a)(3) and (4) .....	Inapplicable
310(b) .....	6.8 and 6.10(a), (b) and (d)
310(c) .....	Inapplicable
311(a) .....	6.13(a) and (c)
311(b) .....	6.13(b) and (c)
311(c) .....	Inapplicable
312(a) .....	4.1 and 4.2(a)
312(b) .....	4.2(a) and (b)(i) and (ii)
312(c) .....	4.2(c)
313(a) .....	4.4(a)(i), (ii), (iii) (iv), (v), (vi) and (vii)
313(a)(5) .....	Inapplicable
313(b)(1) .....	Inapplicable
313(b)(2) .....	4.4(b)
313(c) .....	4.4(c)
313(d) .....	4.4(d)
314(a) .....	4.3
314(b) .....	Inapplicable
314(c)(1) and (2).....	11.5
314(c)(3) .....	Inapplicable
314(d) .....	Inapplicable
314(e) .....	11.5
314(f) .....	Inapplicable
315(a), (c) and (d) .....	6.1
315(b) .....	5.8
315(e) .....	5.9
316(a)(1) .....	5.7
316(a)(2) .....	Not required
316(a) (last sentence) .....	7.4
316(b) .....	5.4
317(a) .....	5.2
317(b) .....	3.5(a)
318(a) .....	11.7
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\*This Cross Reference Sheet is not part of the Indenture.

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THIS JUNIOR SUBORDINATED INDENTURE, dated as of November 29, 2001 between HALLIBURTON COMPANY, a Delaware corporation (the "Issuer"), and JPMORGAN CHASE BANK, as trustee (the "Trustee").

W I T N E S S E T H

WHEREAS the Issuer has duly authorized the issue from time to time of its unsecured junior subordinated debentures, notes or other evidences of indebtedness to be issued in one or more series (the "Securities") up to such principal amount or amounts as may from time to time be authorized in accordance with the terms of this Indenture;

WHEREAS, the Issuer has duly authorized the execution and delivery of this Indenture to provide, among other things, for the authentication, delivery and administration of the Securities; and

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

NOW, THEREFORE;

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

ARTICLE ONE

DEFINITIONS

Section 1.1 Definitions. For all purposes of this Indenture and of any indenture supplemental hereto the following terms shall have the respective meanings specified in this Section 1.1 (except as otherwise expressly provided or unless the context otherwise clearly requires). All other terms used in this Indenture that are defined in the Trust Indenture Act of 1939, including terms defined therein by reference to the Securities Act of 1933, shall have the meanings assigned to such terms in said Trust Indenture Act and in said Securities Act as in force at the date of this Indenture (except as herein otherwise expressly provided or unless the context otherwise clearly requires).

All accounting terms used herein and not expressly defined shall have the meanings assigned to such terms in accordance with generally accepted accounting principles, and the term "generally accepted accounting principles" means such accounting principles as are generally accepted at the time of any computation.

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

The terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular.

The word "including" means "including without limitation."

"Authenticating Agent" shall have the meaning set forth in Section 6.14.

"Bankruptcy Code" means the United States Bankruptcy Code, 11 United States Codess (SS) 101 et seq., or any successor statute thereto.

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

"Board Resolution" means one or more resolutions, certified by the secretary or an assistant secretary of the Issuer to have been duly adopted or consented to by the Board of Directors and to be in full force and effect.

"Business Day" means, with respect to any Security a day that (a) in the Place of Payment (or in any of the Places of Payment, if more than one) in which amounts are payable, as specified in the form of such Security, and (b) in the city in which the Trustee administers its corporate trust business, is not a day on which banking institutions are authorized or required by law or regulation to close.

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

"Common Stock" means the common stock, par value \$2.50 per share, of the Issuer as the same exists at the date of execution and delivery of this Indenture or as such stock may be reconstituted from time to time.

"Conversion Agent" shall have the meaning set forth in Section 3.2.

"Conversion Price" shall have the meaning set forth in Section 13.4.

"Corporate Trust Office" means the office of the Trustee at which the corporate trust business of the Trustee shall, at any particular time, be principally administered, which office is, at the date as of which this Indenture is dated, located in Houston, Texas.

"Date of Conversion" shall have the meaning set forth in Section 13.2.

"Depository" means, with respect to the Securities of any series issuable or issued in the form of one or more Global Securities, the Person designated as Depository by the Issuer pursuant to Section 2.3 until a successor Depository shall have become such pursuant to the applicable provisions of this Indenture, and, thereafter "Depository" shall mean or include each Person who is then a Depository hereunder, and, if at any time there is more than one such Person, "Depository" as used with respect to the Securities of any such series shall mean the Depository with respect to the Global Securities of such series.

"Event of Default" means any event or condition specified as such in Section 5.1.

"Global Security" means a Security evidencing all or a part of a series of Securities issued to the Depositary for such series in accordance with Section 2.3 and bearing the legend prescribed in Section 2.4.

"Holder," "Holder of Securities," "Securityholder" or other similar terms mean, in the case of any Security, the person in whose name such Security is registered in the security register kept by the Issuer for that purpose in accordance with the terms hereof.

"Indebtedness" means, with respect to any Person:

(a) (i) the principal of and interest and premium, if any, on indebtedness for money borrowed of such Person evidenced by bonds, notes, debentures or similar obligations, including any guaranty by such Person of any indebtedness for money borrowed of any other Person, whether any such indebtedness or guaranty is outstanding on the date of this Indenture or is thereafter created, assumed or incurred, (ii) the principal of and interest and premium, if any, on indebtedness for money borrowed, incurred, assumed or guaranteed by such Person in connection with the acquisition by it or any of its subsidiaries of any other businesses, properties or other assets, and (iii) lease obligations that such Person capitalizes in accordance with Statement of Financial Accounting Standards No. 13 promulgated by the Financial Accounting Standards Board or such other generally accepted accounting principles as may be from time to time in effect;

(b) any other indebtedness of such Person, including any indebtedness representing the balance deferred and unpaid of the purchase price of any property or interest therein, including any such balance that constitutes a trade account payable, and any guaranty, endorsement or other contingent obligation of such Person in respect of any indebtedness of another, which is outstanding on the date of this Indenture or is thereafter created, assumed or incurred by such person; and

(c) any amendments, modifications, refundings, renewals or extensions of any indebtedness or obligation described as Indebtedness in clauses (a) and (b) above.

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

"interest" means, when used with respect to non-interest bearing Securities, interest payable after maturity (whether at stated maturity, upon acceleration or redemption or otherwise) or after the date, if any, on which the Issuer becomes obligated to acquire a Security, whether upon conversion, by purchase or otherwise.

"Issuer" means (except as otherwise provided in Section 6.8) Halliburton Company, a Delaware corporation, and, subject to Article Nine, its successors and assigns.

"Issuer Order" means a written statement, request or order of the Issuer that is signed in its name by the chairman of the Board of Directors, the president, any senior vice president or any vice president of the Issuer.

"Last Sale Price" shall have the meaning set forth in Section 13.3.

"Officers' Certificate," when used with respect to the Issuer, means a certificate signed by the chairman of the Board of Directors, the president, or any vice president and by the treasurer, any assistant treasurer, the controller, any assistant controller, the secretary or any assistant secretary of the Issuer. Each such certificate shall include the statements provided for in Section 11.5 if and to the extent required by the provisions of such Section 11.5. One of the officers signing any Officers' Certificate given pursuant to Section 4.3 shall be the principal executive, financial or accounting officer of the Issuer.

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

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

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

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

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

(b) Securities (other than Securities of any series as to which the provisions of Article Ten hereof shall not be applicable), or portions thereof, for the payment or redemption of which moneys or U.S. Government Obligations (as provided for in Section 10.1) in the necessary amount have been deposited in trust with the Trustee or with any Paying Agent (other than the Issuer) or have been set aside, segregated and held in trust by the Issuer for the Holders of such Securities (if the Issuer shall act as its own paying agent), provided, however, that, if such Securities, or portions thereof, are to be redeemed prior to the maturity thereof, notice of such redemption has been given as herein provided or provision satisfactory to the Trustee has been made for giving such notice;

(c) Securities that have been paid or in substitution for which other Securities have been authenticated and delivered pursuant to the terms of Section 2.9 (except with respect to any such Security as to which proof satisfactory to the Trustee is presented that such Security

is held by a Person in whose hands such Security is a legal, valid and binding obligation of the Issuer); and

(d) Securities converted into Common Stock pursuant hereto and, for purposes of selection for redemption, Securities not deemed Outstanding pursuant to Section 12.2.

In determining whether the Holders of the requisite aggregate principal amount of Outstanding Securities of any or all series have given any request, demand, authorization, direction, notice, consent or waiver hereunder, the principal amount of an Original Issue Discount Security that shall be deemed to be Outstanding for such purposes shall be the amount of the principal thereof that would be due and payable as of the date of such determination (as certified by the Issuer to the Trustee) upon a declaration of acceleration of the maturity thereof pursuant to Section 5.1.

"Paying Agent" shall have the meaning set forth in Section 3.2.

"Periodic Offering" means an offering of Securities of a series from time to time, the specific terms of which Securities, including the rate or rates of interest, if any, thereon, the stated maturity or maturities thereof and the redemption and conversion provisions, if any, with respect thereto, are to be determined by the Issuer or its agents upon the issuance of such Securities.

"Person" means any individual, corporation, partnership, limited liability company, business trust, joint venture, association, joint stock company, trust, estate, unincorporated organization or government or any agency or political subdivision thereof, but, in the case of any legal entity, does not include that Person's Subsidiaries.

"Place of Payment," when used with respect to the Securities of any series, means the place or places where the principal of and interest, if any, on the Securities of such series are payable as specified in accordance with Section 2.3.

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

"record date" shall have the meaning set forth in Section 2.7.

"Registrar" shall have the meaning set forth in Section 3.2.

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

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

"Subsidiary" means any corporation, partnership, limited liability company, business trust, joint venture, joint stock company or other legal entity of which the Issuer, or the Issuer

and one or more Subsidiaries, or any one or more Subsidiaries, directly or indirectly own voting securities entitling any one or more of the Issuer and its Subsidiaries to elect a majority of the directors, either at all times or so long as there is no default or contingency which permits the holders of any other class or classes of securities to vote for the election of one or more directors.

"Superior Indebtedness" means Indebtedness of the Issuer outstanding at any time, including Indebtedness issued pursuant to the Issuer's Subordinated Indenture dated January 2, 1991, as amended and supplemented from time to time, except (a) any Indebtedness as to which, by the terms of the instrument creating or evidencing the same, it is provided that such Indebtedness is not senior in right of payment to the Securities, (b) the Securities, (c) any Indebtedness of the Issuer to a wholly-owned subsidiary of the Issuer, (d) interest accruing after the filing of a petition initiating any proceeding referred to in Section 5.1(e) and (e) unless such interest is an allowed claim enforceable against the Company in a proceeding under federal or state bankruptcy laws.

"Subsidiary" means any corporation, partnership, limited liability company, business trust, joint venture, joint stock company or other legal entity of which the Issuer, or the Issuer and one or more Subsidiaries, or any one or more Subsidiaries, directly or indirectly own voting securities entitling any one or more of the Issuer and its Subsidiaries to elect a majority of the directors, either at all times or so long as there is no default or contingency which permits the holders of any other class or classes of securities to vote for the election of one or more directors.

"Trading Day" shall have the meaning set forth in Section 13.3.

"Trust Indenture Act of 1939," except as otherwise provided in Sections 8.1, 8.2 and 13.5, means the Trust Indenture Act of 1939, as amended by the Trust Indenture Reform Act of 1990, as in force at the date as of which this Indenture is originally executed.

"Trustee" means the Person identified as "Trustee" in the first paragraph hereof and, subject to the provisions of Article Six, shall also include any successor trustee. "Trustee" shall also mean or include each Person who is then a trustee hereunder and, if at any time there is more than one such Person, "Trustee" as used with respect to the Securities of any series shall mean the trustee with respect to the Securities of such series.

"U.S. Government Obligations" shall have the meaning set forth in Section 10.1(B).

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

## ARTICLE TWO

### SECURITIES

Section 2.1 Forms Generally. The Securities of each series shall be substantially in such form (not inconsistent with this Indenture) as shall be established by or pursuant to one or more Board Resolutions (as set forth in a Board Resolution or, to the extent established pursuant to rather than set forth in a Board Resolution, an Officers' Certificate detailing such

establishment) or in one or more indentures supplemental hereto, in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have imprinted or otherwise reproduced thereon such legend or legends or endorsements, not inconsistent with the provisions of this Indenture, as may be required to comply with any law or with any rules or regulations pursuant thereto, or with any rules of any securities exchange or to conform to general usage, all as may be determined by the officers executing such Securities, as evidenced by their execution of such Securities.

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

Section 2.2 Form of Trustee's Certificate of Authentication. The Trustee's certificate of authentication on all Securities shall be substantially as follows:

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

JPMorgan Chase Bank,  
as Trustee

By \_\_\_\_\_  
Authorized Signatory

If at any time there shall be an Authenticating Agent appointed with respect to any series of Securities, then the Securities of such series shall bear, in addition to the Trustee's certificate of authentication, an alternate certificate of authentication which shall be substantially as follows:

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

JPMorgan Chase Bank,  
as Trustee

By \_\_\_\_\_  
as Authenticating Agent

By \_\_\_\_\_  
Authorized Signatory

Section 2.3 Amount Unlimited; Issuable in Series. The aggregate principal amount of Securities that may be authenticated and delivered under this Indenture is unlimited.

The Securities may be issued in one or more series and the Securities of each such series shall rank equally and pari passu with the Securities of each other series, but all Securities issued hereunder shall be subordinate and junior in right of payment, to the extent and in the manner set forth in Article Fourteen, to all Superior Indebtedness. There shall be established in or pursuant to one or more Board Resolutions (and, to the extent established pursuant to rather than set forth in a Board Resolution, in an Officers' Certificate detailing such establishment) or established in one or more indentures supplemental hereto, prior to the initial issuance of Securities of any series:

- (a) the designation of the Securities of the series, which shall distinguish the Securities of the series from the Securities of all other series;
- (b) whether the Securities will be convertible into Common Stock and, if so, the terms and conditions upon which such conversion will be effected including the initial conversion price or rate, the conversion period and other provisions in addition to or in lieu of those described herein;
- (c) any limit on the aggregate principal amount of the Securities of the series that may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of the series pursuant to Section 2.8, 2.9, 2.11, 8.5, 12.3 or 13.2);
- (d) the date or dates on which the principal of the Securities of the series is payable;
- (e) the rate or rates at which the Securities of the series shall bear interest, if any, the date or dates from which any such interest shall accrue, on which any such interest shall be payable and on which a record shall be taken for the determination of Holders to whom any such interest is payable or the method by which such rate or rates or date or dates shall be determined or both;
- (f) the place or places where and the manner in which the principal of and any interest on Securities of the series shall be payable (if other than as provided in Section 3.2) and the office or agency for the Securities of the series maintained by the Issuer pursuant to Section 3.2;
- (g) the right, if any, of the Issuer to redeem, purchase or repay Securities of the series, in whole or in part, at its option and the period or periods within which, the price or prices (or the method by which such price or prices shall be determined or both) at which and any terms and conditions upon which and the manner in which (if different from the provisions of Article Twelve) Securities of the series may be so redeemed, purchased or repaid, in whole or in part, pursuant to any sinking fund or otherwise;
- (h) the obligation, if any, of the Issuer to redeem, purchase or repay Securities of the series, in whole or in part, pursuant to any mandatory redemption, sinking fund or analogous provisions or at the option of a Holder thereof and the period or periods within which, the price or prices (or the method by which such price or prices shall be determined or both) at which and any terms and conditions upon which and the manner in which (if different from the

provisions of Article Twelve) Securities of the series shall be redeemed, purchased or repaid, in whole or in part, pursuant to such obligation;

(i) if other than denominations of \$1,000 and any integral multiple thereof, the denominations in which Securities of the series shall be issuable;

(j) if other than the principal amount thereof, the portion of the principal amount of Securities of the series that shall be payable upon declaration of acceleration of the maturity thereof;

(k) whether the Securities of the series will be issuable as Global Securities;

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

(m) any trustees, depositaries, authenticating or paying agents, transfer agents or registrars or any other agents with respect to the Securities of such series;

(n) any additional events of default or covenants with respect to the Securities of such series;

(o) whether the provisions of Section 10.1(C) will be applicable to Securities of such series; and

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

All Securities of any one series shall be substantially identical, except as to denomination and except as may otherwise be provided by or pursuant to the Board Resolution or Officers' Certificate referred to above or as set forth in any such indenture supplemental hereto. All Securities of any one series need not be issued at the same time and may be issued from time to time, consistent with the terms of this Indenture, if so provided by or pursuant to such Board Resolution, such Officers' Certificate or in any such indenture supplemental hereto.

Any such Board Resolution or Officers' Certificate referred to above with respect to Securities of any series filed with the Trustee on or before the initial issuance of the Securities of such series shall be incorporated herein by reference with respect to Securities of such series and shall thereafter be deemed to be a part of this Indenture for all purposes relating to Securities of such series as fully as if such Board Resolution or Officer's Certificate were set forth herein in full.

Section 2.4 Authentication and Delivery of Securities. The Issuer may deliver Securities of any series executed by the Issuer to the Trustee for authentication together with the applicable documents referred to below in this Section 2.4, and the Trustee shall thereupon authenticate and deliver such Securities to or upon the order of the Issuer (contained in the Issuer Order referred to below in this Section 2.4) or pursuant to such procedures acceptable to the

Trustee and to such recipients as may be specified from time to time by an Issuer Order. The maturity date, original issue date, interest rate, if any, and any other terms of the Securities of such series shall be determined by or pursuant to such Issuer Order and procedures. If provided for in such procedures, such Issuer Order may authorize authentication and delivery pursuant to oral instructions from the Issuer or its duly authorized agent, which instructions shall be promptly confirmed in writing. In authenticating the Securities of such series and accepting the additional responsibilities under this Indenture in relation to such Securities, the Trustee shall be entitled to receive (in the case of subsections (b), (c) and (d) below only at or before the time of the first request of the Issuer to the Trustee to authenticate Securities of such series) and (subject to Section 6.1) shall be fully protected in relying upon, unless and until such documents have been superceded or revoked:

(a) an Issuer Order requesting such authentication and setting forth delivery instructions if the Securities of such series are not to be delivered to the Issuer, provided, however, that, with respect to Securities of a series subject to a Periodic Offering:

(i) such Issuer Order may be delivered by the Issuer to the Trustee prior to the delivery to the Trustee of such Securities for authentication and delivery;

(ii) the Trustee shall authenticate and deliver Securities of such series for original issue from time to time, in an aggregate principal amount not exceeding the aggregate principal amount established for such series, pursuant to an Issuer Order or pursuant to procedures acceptable to the Trustee as may be specified from time to time by an Issuer Order;

(iii) the maturity date or dates, original issue date or dates, interest rate or rates, if any, and any other terms of Securities of such series shall be determined by an Issuer Order or pursuant to such procedures;

(iv) if provided for in such procedures, such Issuer Order may authorize authentication and delivery pursuant to oral or electronic instructions from the Issuer or its duly authorized agent or agents, which oral instructions shall be promptly confirmed in writing; and

(v) after the original issuance of the first Security of such series to be issued, any separate request by the Issuer that the Trustee authenticate Securities of such series for original issuance will be deemed to be a certification by the Issuer that it is in compliance with all conditions precedent provided for in this Indenture relating to the authentication and delivery of such Securities;

(b) the Board Resolution, Officers' Certificate or executed supplemental indenture referred to in Sections 2.1 and 2.3 by or pursuant to which the form and terms of the Securities of such series were established;

(c) an Officers' Certificate setting forth the form or forms and terms of the Securities stating that the form or forms and terms of the Securities have been established pursuant to Sections 2.1 and 2.3 and comply with this Indenture and covering such other matters as the Trustee may reasonably request; and

(d) at the option of the Issuer, either an Opinion of Counsel, or a letter from legal counsel addressed to the Trustee permitting it to rely on an Opinion of Counsel, substantially to the effect that:

(i) the forms of the Securities of such series have been duly authorized and established in conformity with the provisions of this Indenture;

(ii) in the case of an underwritten offering, the terms of the Securities of such series have been duly authorized and established in conformity with the provisions of this Indenture, and, in the case of an offering that is not underwritten, certain terms of the Securities of such series have been established pursuant to a Board Resolution, an Officers' Certificate or a supplemental indenture in accordance with this Indenture, and when such other terms as are to be established pursuant to procedures set forth in an Issuer Order shall have been established, all such terms will have been duly authorized by the Issuer and will have been established in conformity with the provisions of this Indenture;

(iii) when the Securities of such series have been executed by the Issuer and authenticated by the Trustee in accordance with the provisions of this Indenture and delivered to and duly paid for by the purchasers thereof, they will have been duly issued under this Indenture and will be valid and legally binding obligations of the Issuer, enforceable in accordance with their respective terms, and will be entitled to the benefits of this Indenture; and

(iv) the execution and delivery by the Issuer of, and the performance by the Issuer of its obligations under, the Securities of such series will not contravene any provision of applicable law or the certificate of incorporation or by-laws of the Issuer or any agreement or other instrument binding upon the Issuer or any of its Subsidiaries that is material to the Issuer and its Subsidiaries, considered as one enterprise or, to such counsel's knowledge after the inquiry indicated therein, any judgment, order or decree of any governmental agency or any court having jurisdiction over the Issuer or any Subsidiary, and no consent, approval or authorization of any governmental body or agency is required for the performance by the Issuer of its obligations under the Securities, except such as are specified and have been obtained and such as may be required by the securities or blue sky laws of the various states in connection with the offer and sale of the Securities.

In rendering such opinions, such counsel may qualify any opinions as to enforceability by stating that such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium and other similar laws affecting the rights and remedies of creditors and is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). Such counsel may rely, as to all matters governed by the laws of jurisdictions other than the State of Texas and the federal law of the United States, upon opinions of other counsel (copies of which shall be delivered to the Trustee), who shall be counsel reasonably satisfactory to the Trustee, in which case the opinion shall state that such counsel believes that both such counsel and the Trustee are entitled so to rely. Such counsel may also state that, insofar as such opinion involves factual matters, such counsel has relied, to the extent such counsel deems proper, upon certificates of officers of the Issuer and its Subsidiaries and certificates of public officials.

The Trustee shall have the right to decline to authenticate and deliver any Securities of any series under this Section 2.4 if the Trustee, being advised by counsel, determines that such action may not lawfully be taken by the Issuer or if the Trustee in good faith by its board of directors or board of trustees, executive committee or a trust committee of directors or trustees or Responsible Officers shall determine that such action would expose the Trustee to personal liability to existing Holders or would adversely affect the Trustee's own rights, duties or immunities under the Securities, this Indenture or otherwise.

If the Issuer shall establish pursuant to Section 2.3 that the Securities of a series are to be issued in the form of one or more Global Securities, then the Issuer shall execute and the Trustee shall, in accordance with this Section 2.4 and the Issuer Order with respect to such series, authenticate and deliver one or more Global Securities that:

(a) shall represent and shall be denominated in an amount equal to the aggregate principal amount of all of the Securities of such series to be issued in the form of Global Securities and not yet cancelled;

(b) shall be registered in the name of the Depositary for such Global Security or Securities or the nominee of such Depositary;

(c) shall be delivered by the Trustee to such Depositary or pursuant to such Depositary's instructions; and

(d) shall bear a legend substantially to the following effect:  
"Unless and until it is exchanged in whole or in part for Securities in definitive registered form, this Security may not be transferred except as a whole by the Depositary to the nominee of the Depositary or by a nominee of the Depositary to the Depositary or another nominee of the Depositary or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary."

Each Depositary designated pursuant to Section 2.3 must, at the time of its designation and at all times while it serves as Depositary, be a clearing agency registered under the Securities Exchange Act of 1934 and any other applicable statute or regulation.

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

In case any officer of the Issuer who shall have signed any of the Securities shall cease to be such officer before the Security so signed shall be authenticated and delivered by the Trustee or disposed of by the Issuer, such Security nevertheless may be authenticated and delivered or disposed of as though the Person who signed such Security had not ceased to be such officer of

the Issuer; and any Security may be signed on behalf of the Issuer by such Persons as, at the actual date of the execution of such Security, shall be the proper officers of the Issuer, although at the date of the execution and delivery of this Indenture any such Person was not such an officer.

Section 2.6 Certificate of Authentication. Only such Securities as shall bear thereon a certificate of authentication substantially in the form hereinbefore recited, executed by the Trustee by the manual signature of one of its authorized signatories or its Authenticating Agent, shall be entitled to the benefits of this Indenture or be valid or obligatory for any purpose. The execution of such certificate by the Trustee or its Authenticating Agent upon any Security executed by the Issuer shall be conclusive evidence that the Security so authenticated has been duly authenticated and delivered hereunder and that the Holder is entitled to the benefits of this Indenture. Each reference in this Indenture to authentication by the Trustee includes authentication by an agent appointed pursuant to Section 6.14.

Section 2.7 Denomination and Date of Securities; Payments of Interest. The Securities of each series shall be issuable in registered form in denominations established as contemplated by Section, 2.3 or, with respect to the Securities of any series, if not so established, in denominations of \$1,000 and any integral multiple thereof. The Securities of each series shall be numbered, lettered or otherwise distinguished in such manner or in accordance with such plan as the chairman of the Board of Directors or the officers of the Issuer executing the same may determine with the approval of the Trustee, as evidenced by the execution and authentication thereof.

Each Security shall be dated the date of its authentication. The Securities of each series shall bear interest, if any, from the date, and such interest, if any, shall be payable on the dates established as contemplated by Section 2.3.

The Person in whose name any Security of any series is registered at the close of business on any record date applicable to a particular series with respect to any interest payment date for such series shall be entitled to receive the interest, if any, payable on such interest payment date notwithstanding any transfer or exchange of such Security subsequent to the record date and prior to such interest payment date, except if and to the extent the Issuer shall default in the payment of the interest due on such interest payment date for such series, in which case such defaulted interest shall be paid to the Persons in whose names Outstanding Securities for such series are registered:

(a) at the close of business on a subsequent record date (which shall be not less than five Business Days prior to the date of payment of such defaulted interest) established by notice given by mail by or on behalf of the Issuer to the Holders of Securities not less than 15 days preceding such subsequent record date; or

(b) as determined by such other procedure as is mutually acceptable to the Issuer and the Trustee.

The term "record date" as used with respect to any interest payment date (except a date for payment of defaulted interest) for the Securities of any series shall mean the date specified as

such in the terms of the Securities of such series established as contemplated by Section 2.3, or, if no such date is so established, if such interest payment date is the first day of a calendar month, the fifteenth day of the next preceding calendar month or, if such interest payment date is the fifteenth day of a calendar month, the first day of such calendar month, whether or not such record date is a Business Day.

Section 2.8 Registration, Transfer and Exchange. The Issuer will keep at the office of each Registrar for each series of Securities a register or registers in which, subject to such reasonable regulations as it may prescribe, it will provide for the registration of Securities of each series and the registration of transfer of Securities of such series. Such register shall be in written form in the English language or in any other form capable of being converted into such form within a reasonable time. At all reasonable times, such register or registers shall be open for inspection and available for copying by the Trustee.

Upon due presentation for registration of transfer of any Security of any series at the office of any Registrar, the Issuer shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Security or Securities of the same series, maturity date, interest rate, if any, and original issue date in authorized denominations for a like aggregate principal amount.

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

At the option of the Holder thereof, Securities of any series (other than a Global Security, except as set forth below) may be exchanged for a Security or Securities of such series having authorized denominations and an equal aggregate principal amount, upon surrender of such Securities to be exchanged at the office of the Registrar.

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

The Issuer shall not be required to exchange or register a transfer of:

(a) any Securities of any series for a period of 15 days next preceding the first mailing or publication of notice of redemption of Securities of such series to be redeemed;

(b) any Securities selected, called or being called for redemption, in whole or in part, except, in the case of any Security to be redeemed in part, the portion thereof not so to be redeemed; or

(c) any Security if the Holder thereof has exercised his right, if any, to require the Issuer to repurchase such Security in whole or in part, except the portion of such Security not required to be repurchased.

Notwithstanding any other provision of this Section 2.8, unless and until it is exchanged in whole or in part for Securities in definitive registered form, a Global Security representing all or a part of the Securities of a series may not be transferred except as a whole among the Depositary for such series, a successor Depositary and their nominees.

If at any time the Depositary for any Securities of a series represented by one or more Global Securities notifies the Issuer that it is unwilling or unable to continue as Depositary for such Securities or if at any time the Depositary for such Securities shall no longer be eligible under Section 2.4, the Issuer shall appoint a successor Depositary with respect to such Securities. If a successor Depositary for such Securities is not appointed by the Issuer within 90 days after the Issuer receives such notice or becomes aware of such ineligibility, the Issuer's election pursuant to Section 2.3 that such Securities be represented by one or more Global Securities shall no longer be effective and the Issuer shall execute, and the Trustee, upon receipt of an Officers' Certificate for the authentication and delivery of definitive Securities of such series, will authenticate and deliver Securities of such series in definitive, registered and certificated form, in any authorized denominations, in an aggregate principal amount equal to the principal amount of the Global Security or Securities representing such Securities in exchange for such Global Security or Securities.

The Issuer may at any time and in its sole discretion determine that the Securities of any series issued in the form of one or more Global Securities shall no longer be represented by a Global Security or Securities. In such event the Issuer shall execute, and the Trustee, upon receipt of an Officer's Certificate for the authentication and delivery of definitive Securities of such series, shall authenticate and deliver, Securities of such series in definitive, registered and certificated form, in any authorized denominations, in an aggregate principal amount equal to the principal amount of the Global Security or Securities representing such Securities, in exchange for such Global Security or Securities.

If specified by the Issuer pursuant to Section 2.3 with respect to Securities represented by a Global Security, the Depositary for such Global Security may surrender such Global Security in exchange in whole or in part for Securities of the same series in definitive, registered and certificated form on such terms as are acceptable to the Issuer and such Depositary. Thereupon, the Issuer shall execute, and the Trustee shall authenticate and deliver, without service charge:

(a) to the Person specified by such Depositary, a new Security or Securities of the same series, of any authorized denominations as requested by such Person, in an aggregate principal amount equal to and in exchange for such Person's beneficial interest in the Global Security; and

(b) to such Depositary a new Global Security in a denomination equal to the difference, if any, between the principal amount of the surrendered Global Security and the aggregate principal amount of Securities authenticated and delivered pursuant to clause (a) above.

Upon the exchange of a Global Security for Securities in definitive, registered and certificated form, in authorized denominations, such Global Security shall be cancelled by the Trustee or an agent of the Issuer or the Trustee. Securities in definitive, registered and

certificated form issued in exchange for a Global Security pursuant to this Section 2.8 shall be registered in such names and in such authorized denominations as the Depositary for such Global Security, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee or an agent of the Issuer or the Trustee. The Trustee or such agent shall deliver at its office such Securities to or as directed by the Persons in whose names such Securities are so registered.

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

Section 2.9 Mutilated, Defaced, Destroyed, Lost and Stolen Securities. In case any temporary or definitive Security shall become mutilated, defaced or be destroyed, lost or stolen, the Issuer in its discretion may execute, and upon the written request of any officer of the Issuer, the Trustee shall authenticate and deliver a new Security of the same series, maturity date, interest rate, if any, and original issue date, bearing a number or other distinguishing symbol not contemporaneously outstanding, in exchange and substitution for the mutilated or defaced Security, or in lieu of and in substitution for the Security so destroyed, lost or stolen. In every case the applicant for a substitute Security shall furnish to the Issuer and to the Trustee and any agent of the Issuer or the Trustee such security or indemnity as may be required by the Trustee to indemnify and defend and to save each of the Trustee and the Issuer harmless and, in every case of destruction, loss or theft, evidence to their satisfaction of the destruction, loss or theft of such Security and of the ownership thereof and in the case of mutilation or defacement, shall surrender the Security to the Trustee or such agent.

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

Every substitute Security of any series issued pursuant to the provisions of this Section 2.9 by virtue of the fact that any such Security is destroyed, lost or stolen shall constitute an additional contractual obligation of the Issuer, whether or not the destroyed, lost or stolen Security shall be at any time enforceable by anyone and shall be entitled to all the benefits of (but shall be subject to all the limitations of rights set forth in) this Indenture equally and proportionately with any and all other Securities of such series duly authenticated and delivered hereunder. All Securities shall be held and owned upon the express condition that, to the extent permitted by law, the foregoing provisions are exclusive with respect to the replacement or

payment or conversion of mutilated defaced or destroyed, lost or stolen Securities and shall preclude any and all other rights or remedies notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement, payment or conversion of negotiable instruments or other securities without their surrender.

Section 2.10 Cancellation of Securities; Disposition Thereof. All Securities surrendered for payment, redemption, registration of transfer, exchange or conversion, or for credit against any payment in respect of a sinking or analogous fund, if surrendered to the Issuer or any agent of the Issuer or the Trustee or any agent of the Trustee, shall be delivered to the Trustee or its agent for cancellation or, if surrendered to the Trustee, shall be cancelled by it and no Securities shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Indenture. The Trustee or its agent shall dispose of cancelled Securities held by it or hold such Securities in accordance with its standard retention policy, and deliver a certificate of disposition or retention to the Issuer. If the Issuer or its agent shall acquire any of the Securities, such acquisition shall not operate as a redemption or satisfaction of the indebtedness represented by such Securities unless and until the same are delivered to the Trustee or its agent for cancellation.

Section 2.11 Temporary Securities. Pending the preparation of definitive Securities for any series, the Issuer may execute and the Trustee shall authenticate and deliver temporary Securities for such series, which shall be printed, lithographed, typewritten or otherwise reproduced, in each case in form satisfactory to the Trustee. Temporary Securities of any series shall be issuable in any authorized denomination, and substantially in the form of the definitive Securities of such series but with such omissions, insertions and variations as may be appropriate for temporary Securities, all as may be determined by the Issuer with the concurrence of the Trustee as evidenced by the execution and authentication thereof. Temporary Securities may contain such references to any provisions of this Indenture as may be appropriate. Every temporary Security shall be executed by the Issuer and be authenticated by the Trustee upon the same conditions and in substantially the same manner, and with like effect, as the definitive Securities. Without unreasonable delay the Issuer shall execute and shall furnish definitive Securities of such series and thereupon temporary Securities of such series may be surrendered in exchange therefor without charge at each office or agency to be maintained by the Issuer for that purpose pursuant to Section 3.2 and the Trustee shall authenticate and deliver in exchange for such temporary Securities of such series an equal aggregate principal amount of definitive Securities of the same series having authorized denominations. Until so exchanged, the temporary Securities of any series shall be entitled to the same benefits under this Indenture as definitive Securities of such series, unless otherwise established pursuant to Section 2.3.

### ARTICLE Three

#### COVENANTS OF THE ISSUER

Section 3.1 Payment of Principal, Premium and Interest. The Issuer covenants and agrees that it will duly and punctually pay or cause to be paid the principal of and interest, if any, on each of the Securities at the place, at the respective times and in the manner provided in the Securities.

Section 3.2 Office for Notices and Payments, etc. So long as any of the Securities are Outstanding, the Issuer will maintain in each Place of Payment an office or agency where the Securities may be presented for payment ("Paying Agent"), an office or agency where the Securities may be presented for registration of transfer and for exchange ("Registrar") and, if applicable, an office or agency where the Securities may be presented for conversion ("Conversion Agent") as in this Indenture provided, and an office or agency where notices and demands to or upon the Issuer in respect of the Securities or of this Indenture may be served. In case the Issuer shall at any time fail to maintain any such office or agency or shall fail to give notice to the Trustee of any change in the location thereof, presentation may be made and notice and demand may be served in respect of the Securities or of this Indenture at the Corporate Trust Office. In addition, the Issuer hereby initially appoints the Trustee as Registrar, Paying Agent, Conversion Agent and as the agent where notices and demands may be served with respect to the Securities.

Section 3.3 No Interest Extension. In order to prevent any accumulation of claims for interest after maturity thereof, the Issuer will not directly or indirectly extend or consent to the extension of the time for the payment of any claim for interest on any of the Securities and will not directly or indirectly be a party to or approve any such arrangement by the purchase or funding of said claims or in any other manner; provided, however, that this Section 3.3 shall not apply in any case where an extension shall be made pursuant to a plan proposed by the Issuer to the Holders of all Securities of any series then Outstanding.

Section 3.4 Appointments to Fill Vacancies in Trustees Office. The Issuer, whenever necessary to avoid or fill a vacancy in the office of the Trustee, will appoint, in the manner provided in Section 6.10, a Trustee so that there shall at all times be a Trustee hereunder.

Section 3.5 Provision as to Paying Agent.

(a) If the Issuer shall appoint a Paying Agent other than the Trustee, it will cause such Paying Agent to execute and deliver to the Trustee an instrument in which such agent shall agree with the Trustee, subject to the provisions of this Section 3.5:

(i) that it will hold all sums held by it as such agent for the payment of the principal of or interest, if any, on the Securities whether such sums have been paid to it by the Issuer or by any other obligor on the Securities in trust for the benefit of the Holders of the Securities;

(ii) that it will give the Trustee notice of any failure by the Issuer (or by any other obligor on the Securities) to make any payment of the principal of or interest, if any, on the Securities when the same shall be due and payable; and

(iii) that it will, at any time during the continuance of any such failure, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent.

(b) If the Issuer shall act as its own Paying Agent, it will, on or before each due date of the principal of or interest, if any, on the Securities, set aside, segregate and hold in trust for the benefit of the Holders of the Securities a sum sufficient to pay such principal or

interest, if any, so becoming due and will notify the Trustee of any failure to take such action and of any failure by the Issuer (or by any other obligor under the Securities) to make any payment of the principal of or interest, if any, on the Securities when the same shall become due and payable.

(c) Anything in this Section 3.5 to the contrary notwithstanding, the Issuer may, at any time, for the purpose of obtaining a satisfaction and discharge of this Indenture, or for any other reason, pay or cause to be paid to the Trustee all sums held in trust by it, or any Paying Agent hereunder, as required by this Section 3.5, such sums to be held by the Trustee upon the trusts herein contained.

(d) Anything in this Section 3.5 to the contrary notwithstanding, any agreement of the Trustee or any Paying Agent to hold sums in trust as provided in this Section 3.5 is subject to Sections 10.3 and 10.4.

(e) Whenever the Issuer shall have one or more Paying Agents, it will, on or before each due date of the principal of or interest, if any, on any Securities, deposit with a Paying Agent a sum sufficient to pay the principal or interest, if any, and so becoming due, such sum to be held in trust for the benefit of the Persons entitled to such principal or interest, if any, and (unless such Paying Agent is the Trustee) the Issuer will promptly notify the Trustee of its action or failure so to act.

#### ARTICLE FOUR

##### SECURITYHOLDERS LISTS AND REPORTS BY THE ISSUER AND THE TRUSTEE

Section 4.1 Issuer to Furnish Trustee Information as to Names and Addresses of Securityholders. The Issuer and any other obligor on the Securities covenant and agree that they will furnish or cause to be furnished to the Trustee a list in such form as the Trustee may reasonably require of the names and addresses of the Holders of the Securities of each series as of a date not more than 15 days prior to the time such information is furnished:

(a) semiannually and not more than 15 days after each March 1 and September 1; and

(b) at such other times as the Trustee may request in writing, within 30 days after receipt by the Issuer of any such request;

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

Section 4.2 Preservation and Disclosure of Securityholders Lists.

(a) The Trustee shall preserve, in as current a form as is reasonably practicable, all information as to the names and addresses of the Holders of each series of Securities:

(i) contained in the most recent list furnished to it as provided in Section 4.1; and

(ii) received by it in the capacity of Registrar for such series, if so acting.

The Trustee may destroy any list furnished to it as provided in Section 4.1 upon receipt of a new list so furnished.

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

(i) afford to such applicants access to the information preserved at the time by the Trustee in accordance with the provisions of subsection (a) of this Section 4.2; or

(ii) inform such applicants as to the approximate number of Holders of Securities of such series or of all Securities, as the case may be, whose names and addresses appear in the information preserved at the time by the Trustee, in accordance with the provisions of subsection (a) of this Section 4.2, and as to the approximate cost of mailing to such Securityholders the form of proxy or other communication, if any, specified in such application.

(c) If the Trustee shall elect not to afford to such applicants access to such information, the Trustee shall, upon the written request of such applicants, mail to each Securityholder of such series or all Holders of Securities, as the case may be, whose name and address appears in the information preserved at the time by the Trustee in accordance with the provisions of subsection (a) of this Section 4.2 a copy of the form of proxy or other communication that is specified in such request, with reasonable promptness after a tender to the Trustee of the material to be mailed and of payment, or provision for the payment, of the reasonable expenses of mailing, unless within five days after such tender, the Trustee shall mail to such applicants and file with the Commission, together with a copy of the material to be mailed, a written statement to the effect that, in the opinion of the Trustee, such mailing would be contrary to the best interests of the Holders of Securities of such series or of all Securities, as the case may be, or would be in violation of applicable law. Such written statement shall specify the basis of such opinion. If the Commission, after opportunity for a hearing on the objections specified in the written statement so filed, shall enter an order refusing to sustain any of such objections or if, after the entry of an order sustaining one or more of such objections, the Commission shall find, after notice and opportunity for hearing, that all the objections so sustained have been met, and shall enter an order so declaring, the Trustee shall mail copies of such material to all such Securityholders with reasonable promptness after the entry of such

order and the renewal of such tender; otherwise the Trustee shall be relieved of any obligation or duty to such applicants respecting their application.

(d) Each and every Holder of Securities, by receiving and holding the same, agrees with the Issuer and the Trustee that neither the Issuer nor the Trustee nor any agent of the Issuer or the Trustee shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the Holders of Securities in accordance with the provisions of subsection (b) of this Section 4.2, regardless of the source from which such information was derived, and that the Trustee shall not be held accountable by reason of mailing any material pursuant to a request made under such subsection (b).

Section 4.3 Reports by the Issuer. The Issuer covenants:

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

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

(c) to transmit by mail to the Holders of Securities within 30 days after the filing thereof with the Trustee, in the manner and to the extent provided in Section 4.4(c), such summaries of any information, documents and reports required to be filed by the Issuer pursuant to subsections (a) and (b) of this Section 4.3 as may be required to be transmitted to such Holders by rules and regulations prescribed from time to time by the Commission; and

(d) furnish to the Trustee, not less than annually, a brief certificate from the principal executive officer, principal financial officer or principal accounting officer as to his knowledge of the Issuer's compliance with all conditions and covenants under this Indenture. For purposes of this subsection (d), such compliance shall be determined without regard to any period of grace or requirement of notice provided under this Indenture.

Section 4.4 Reports by the Trustee.

(a) Within 60 days after September 15 of each year commencing with the year 2002, the Trustee shall transmit by mail to the Holders of Securities, as provided in subsection (c) of this Section 4.4, a brief report dated as of such September 15 with respect to any of the

following events that may have occurred within the preceding 12 months (but if no such event has occurred within such period, no report need be transmitted):

(i) any change to its eligibility under Section 6.9 and its qualification under Section 6.8;

(ii) the creation of, or any material change to, a relationship specified in paragraph (i) through (x) of subsection 6.8(c);

(iii) the character and amount of any advances (and if the Trustee elects so to state, the circumstances surrounding the making thereof) made by the Trustee (as such) that remain unpaid on the date of such report and for the reimbursement of which it claims or may claim a lien or charge, prior to that of the Securities of any series, on any property or funds held or collected by it as Trustee, except that the Trustee shall not be required (but may elect) to report such advances if such advances so remaining unpaid aggregate not more than 1/2 of 1% of the principal amount of all Securities Outstanding on the date of such report;

(iv) the amount, interest rate, if any, and maturity date of all other indebtedness owing by the Issuer (or by any other obligor on the Securities) to the Trustee in its individual capacity on the date of such report, with a brief description of any property held as collateral security therefor, except any indebtedness based upon a creditor relationship arising in any manner described in Section 6.13(f)(ii), (iii), (iv) or (vi);

(v) any change to the property and funds, if any, physically in the possession of the Trustee (as such) on the date of such report;

(vi) any additional issue of Securities that the Trustee has not previously reported; and

(vii) any action taken by the Trustee in the performance of its duties under this Indenture that it has not previously reported and that in its opinion materially affects the Securities, except an action in respect of a default, notice of which has been or is to be withheld by it in accordance with the provisions of Section 5.8.

(b) The Trustee shall transmit to the Securityholders of each series, as provided in subsection (c) of this Section 4.4 a brief report with respect to the character and amount of any advances (and, if the Trustee elects so to state, the circumstances surrounding the making thereof) made by the Trustee, as such, since the date of the last report transmitted pursuant to the provisions of subsection (a) of this Section 4.4 (or, if no such report has yet been so transmitted, since the date of this Indenture) for the reimbursement of which it claims or may claim a lien or charge prior to that of the Securities of such series on property or funds held or collected by it as Trustee and which it has not previously reported pursuant to this subsection (b), except that the Trustee shall not be required (but may elect) to report such advances if such advances remaining unpaid at any time aggregate 10% or less of the principal amount of all Securities Outstanding at such time, such report to be transmitted within 90 days after such time.

(c) Reports pursuant to this Section shall be transmitted by mail:

(i) to all Holders of Securities, as the names and addresses of such Holders appear upon the registry books of the Issuer; and

(ii) except in the case of reports pursuant to subsection (b), to each Holder of a Security whose name and address are preserved at the time by the Trustee as provided in Section 4.2(a).

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

#### ARTICLE FIVE

##### REMEDIES OF THE TRUSTEE AND SECURITYHOLDERS ON EVENT OF DEFAULT

Section 5.1 Events of Default. "Event of Default," wherever used herein with respect to Securities of any series, means any one or more of the following events, unless it is either inapplicable to a particular series or is specifically deleted or modified in or pursuant to the Board Resolutions or supplemental indenture establishing such series of Securities or in the form of Security for such series:

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

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

(c) default in the payment or satisfaction of any sinking fund obligation with respect to Securities of such series, as and when such sinking fund obligation shall become due and payable as in this Indenture expressed; or

(d) failure on the part of the Issuer duly to observe or perform any other of the covenants or agreements on the part of the Issuer in the Securities of such series or in this Indenture contained for a period of 60 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Issuer by the Trustee by registered mail, or to the Issuer and the Trustee by the Holders of at least 25 percent in aggregate principal amount of the Securities of such series then Outstanding; or

(e) without the consent of the Issuer a court having jurisdiction shall enter an order for relief with respect to the Issuer under the Bankruptcy Code or without the consent of the Issuer a court having jurisdiction shall enter a judgment, order or decree adjudging the Issuer bankrupt or insolvent, or enter an order for relief for reorganization, arrangement, adjustment or composition of or in respect of the Issuer under the Bankruptcy Code or applicable state

insolvency law and the continuance of any such judgment, order or decree is unstayed and in effect for a period of 90 consecutive days; or

(f) the Issuer shall institute proceedings for entry of an order for relief with respect to the Issuer under the Bankruptcy Code or for an adjudication of insolvency or shall consent to the institution of bankruptcy or insolvency proceedings against it or shall file a petition seeking, or seek or consent to, reorganization, arrangement, composition or relief under the Bankruptcy Code or any applicable state law or shall consent to filing of such petition or to the appointment of a receiver, custodian, liquidator, assignee, trustee, sequestrator or similar official (other than a custodian pursuant to 8 Delaware Code ss.226 or any similar statute under other state laws) of the Issuer or of substantially all of its property or the Issuer shall make a general assignment for the benefit of creditors as recognized under the Bankruptcy Code; or

(g) any other Event of Default provided with respect to the Securities of such series.

If an Event of Default with respect to Securities of any series then Outstanding occurs and is continuing, then and in each and every such case, unless the principal of all of the Securities of such series shall have already become due and payable, either the Trustee or the Holders of not less than 25 percent in aggregate principal amount of the Securities of such series then Outstanding, by notice in writing to the Issuer (and to the Trustee if given by Securityholders), may declare the principal (or, if the Securities of such series are Original Issue Discount Securities, such portion of the principal amount as may be specified in the terms of such series) of all the Securities of such series and the interest, if any, accrued thereon to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in this Indenture or in the Securities of such series contained to the contrary notwithstanding. This provision, however, is subject to the condition that, if at any time after the principal (or such specified amount) of the Securities of such series shall have been so declared due and payable and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided, the Issuer shall pay or shall deposit with the Trustee a sum sufficient to pay all matured installments of interest, if any, upon all of the Securities of such series and the principal of any and all Securities of such series that shall have become due otherwise than by acceleration (with interest on overdue installments of interest, if any, to the extent that payment of such interest is enforceable under applicable law and on such principal at the rate borne by the Securities of such series to the date of such payment or deposit) and the reasonable compensation, disbursements, expenses and advances of the Trustee, and any and all defaults under this Indenture, other than the nonpayment of principal of and accrued interest, if any, on Securities of such series that shall have become due by acceleration, shall have been cured or shall have been waived in accordance with Section 5.7 or provision deemed by the Trustee to be adequate shall have been made therefor, then and in every such case the Holders of a majority in aggregate principal amount of the Securities of such series then Outstanding, by written notice to the Issuer and to the Trustee, may rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair any right consequent thereon. If any Event of Default with respect to the Issuer specified in Section 5.1(e) or 5.1(f) occurs, all unpaid principal and accrued interest on all Securities of each series then Outstanding shall ipso facto become and

be immediately due and payable without any declaration or other act by the Trustee or any Securityholder.

If the Trustee shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned because of such rescission or annulment or for any other reason or shall have been determined adversely to the Trustee, then and in every such case the Issuer, the Trustee and the Securityholders shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Issuer, the Trustee and the Securityholders shall continue as though no such proceeding had been taken.

Except with respect to an Event of Default pursuant to Section 5.1(a), (b) or (c), the Trustee shall not be charged with knowledge of any Event of Default unless written notice thereof shall have been given to a Responsible Officer by the Issuer, a Paying Agent or any Securityholder.

Section 5.2 Payment of Securities on Default; Suit Therefor. The Issuer covenants that:

(a) if default shall be made in the payment of any installment of interest upon any of the Securities of any series then Outstanding as and when the same shall become due and payable, and such default shall have continued for a period of 30 days; or

(b) if default shall be made in the payment of the principal of any of the Securities of such series as and when the same shall have become due and payable, whether at maturity of the Securities of such series or upon redemption or by declaration or otherwise;

then, upon demand of the Trustee, the Issuer will pay to the Trustee, for the benefit of the Holders of the Securities, the whole amount that then shall have become due and payable on all such Securities of such series for principal or interest, if any, or both, as the case may be, with interest upon the overdue principal and (to the extent that payment of such interest is enforceable under applicable law) upon the overdue installments of interest, if any, at the rate borne by the Securities of such series; and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including reasonable compensation to the Trustee, its agents, attorneys and counsel, and any expenses or liabilities incurred by the Trustee hereunder other than through its negligence or bad faith.

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

If there shall be pending proceedings for the bankruptcy or for the reorganization of the Issuer or any other obligor on the Securities of any series then Outstanding under any bankruptcy, insolvency or other similar law now or hereafter in effect or if a receiver or trustee

or similar official shall have been appointed for the property of the Issuer or such other obligor, or in the case of any other similar judicial proceedings relative to the Issuer or other obligor upon the Securities of such series or to the creditors or property of the Issuer or such other obligor, the Trustee, irrespective of whether the principal of the Securities of such series shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand pursuant to the provisions of this Section 5.2, shall be entitled and empowered by intervention in such proceedings or otherwise to file and prove a claim or claims for the whole amount of principal and interest, if any, owing and unpaid in respect of the Securities of such series and, in case of any judicial proceedings, to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and of the Securityholders allowed in such judicial proceedings relative to the Issuer or any other obligor on the Securities of such series, its or their creditors or its or their property and to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same after the deduction of its charges and expenses. Any receiver, assignee or trustee or similar official in bankruptcy or reorganization is hereby authorized by each of the Securityholders to make such payments to the Trustee and, if the Trustee shall consent to the making of such payments directly to the Securityholders, to pay to the Trustee any amount due it for compensation and expenses, including counsel fees incurred by it, up to the date of such distribution. To the extent that such payment of reasonable compensation, expenses and counsel fees out of the estate in any such proceedings shall be denied for any reason, payment of the same shall be secured by a lien on, and shall be paid out of, any and all distributions, dividends, moneys, securities and other property that the Holders of the Securities of such series may be entitled to receive in such proceedings, whether in liquidation or under any plan of reorganization or arrangement or otherwise.

All rights of action and of asserting claims under this Indenture, or under any of the Securities, may be enforced by the Trustee without the possession of any of the Securities or the production thereof at any trial or other proceeding relative thereto. Any such suit or proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall be for the ratable benefit of the Holders of the Securities of the series in respect of which such judgment has been recovered.

Section 5.3 Application of Moneys Collected by Trustee. Any moneys collected by the Trustee pursuant to Section 5.2 with respect to Securities of any series then Outstanding shall be applied in the order following, at the date or dates fixed by the Trustee for the distribution of such moneys, upon presentation of the several Securities of such series, and stamping thereon the payment, if only partially paid, and upon surrender thereof, if fully paid:

FIRST: To the payment of costs and expenses of collection and reasonable compensation to the Trustee, its agents, attorneys and counsel, and of all other expenses and liabilities incurred, and all advances made, by the Trustee pursuant to Section 6.6 except as a result of its negligence or bad faith;

SECOND: If the principal of the Outstanding Securities of such series shall not have become due and be unpaid, to the payment of interest, if any, on the Securities of such series, in the order of the maturity of the installments of such interest, if any, with interest (to the extent that such interest has been collected by the Trustee) upon the

overdue installments of interest, if any, at the rate borne by the Securities of such series, such payment to be made ratably to the Persons entitled thereto;

THIRD: If the principal of the Outstanding Securities of such series shall have become due by declaration or otherwise, to the payment of the whole amount then owing and unpaid upon the Securities of such series for principal and interest, if any, with interest on the overdue principal and (to the extent that such interest has been collected by the Trustee) upon overdue installments of interest, if any, at the rate borne by the Securities of such series and in case such moneys shall be insufficient to pay in full the whole amounts so due and unpaid upon the Securities of such series, then to the payment of such principal and interest, if any, without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, or of any Security over any other Security, ratably to the aggregate of such principal and accrued and unpaid interest; and

FOURTH: To the payment of any surplus then remaining to the Issuer, its successors or assigns or to whomsoever may be lawfully entitled to receive the same.

No claim for interest that in any manner at or after maturity shall have been transferred or pledged separate or apart from the Securities to which it relates or that in any manner shall have been kept alive after maturity by an extension (otherwise than pursuant to an extension made pursuant to a plan proposed by the Issuer to the Holders of all Securities of any series then Outstanding), purchase, funding or otherwise by or on behalf or with the consent or approval of the Issuer shall be entitled, in case of a default hereunder, to any benefit of this Indenture, except after prior payment in full of the principal of all Securities of any series then Outstanding and of all claims for interest not so transferred, pledged, kept alive, extended, purchased or funded.

Section 5.4 Proceedings by Securityholders. No Holder of any Securities of any series then Outstanding shall have any right by virtue of or by availing of any provision of this Indenture to institute any suit, action or proceeding in equity or at law upon or under or with respect to this Indenture or the Securities or for the appointment of a receiver or trustee or similar official or for any other remedy hereunder or thereunder, unless such Holder previously shall have given to the Trustee written notice of default and of the continuance thereof, as hereinbefore provided, and unless the Holders of not less than 25 percent in aggregate principal amount of the Securities of such series then Outstanding shall have made written request to the Trustee to institute such action, suit or proceeding in its own name as Trustee hereunder and shall have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby and the Trustee, for 60 days after its receipt of such notice, request and offer of indemnity, shall have neglected or refused to institute any such action, suit or proceeding, it being understood and intended, and being expressly covenanted by the Holder of every Security of such series with every other taker and Holder and the Trustee, that no one or more Holders of Securities of such series shall have any right in any manner whatever by virtue of or by availing of any provision of this Indenture or of the Securities to affect, disturb or prejudice the rights of any other Holder of such Securities of such series or to obtain or seek to obtain priority over or preference as to any other such Holder or to enforce any right under this Indenture or the Securities, except in the manner herein provided and for the equal, ratable and common benefit of all Holders of Securities of such series.

Notwithstanding any other provisions in this Indenture, but subject to Article Fourteen, the right of any Holder of any Security to receive payment of the principal of and interest, if any, on such Security, on or after the respective due dates expressed in such Security or, if applicable, to convert such Security as provided in Article Thirteen or to institute suit for the enforcement of any such payment on or after such respective dates or for the enforcement of any such right to convert shall not be impaired or affected without the consent of such Holder.

Section 5.5 Proceedings by Trustee. In case of an Event of Default hereunder, the Trustee may, in its discretion proceed to protect and enforce the rights vested in it by this Indenture by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any of such rights, either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Indenture or in aid of the exercise of any power granted in this Indenture, or to enforce any other legal or equitable right vested in the Trustee by this Indenture or by law.

Section 5.6 Remedies Cumulative and Continuing. All powers and remedies given by this Article Five to the Trustee or to the Securityholders shall, to the extent permitted by law, be deemed cumulative and not exclusive of any powers and remedies thereof or of any other powers and remedies available to the Trustee or the Securityholders, by judicial proceedings or otherwise, to enforce the performance or observance of the covenants and agreements contained in this Indenture, and no delay or omission of the Trustee or of any Securityholder to exercise any right or power accruing upon any default occurring and continuing as aforesaid shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and, subject to the provisions of Section 5.4, every power and remedy given by this Article Five or by law to the Trustee or to the Securityholders may be exercised from time to time, and as often as shall be deemed expedient, by the Trustee or by the Securityholders.

Section 5.7 Direction of Proceedings; Waiver of Defaults by Majority of Securityholders. The Holders of a majority in aggregate principal amount of the Securities of any series then Outstanding shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee with respect to Securities of such series; provided, however, that (subject to the provisions of Section 6.1) the Trustee shall have the right to decline to follow any such direction if the Trustee shall determine upon advice of counsel that the action or proceeding so directed may not lawfully be taken or if the Trustee in good faith by its board of directors, its executive committee or a trust committee of directors or Responsible Officers or both shall determine that the action or proceeding so directed would involve the Trustee in personal liability. The Holders of a majority in aggregate principal amount of the Securities of any series then Outstanding may on behalf of the Holders of all of the Securities of such series waive any past default or Event of Default hereunder and its consequences except a default in the payment of interest, if any, on, or the principal of, the Securities of such series. Upon any such waiver the Issuer, the Trustee and the Holders of the Securities of such series shall be restored to their former positions and rights hereunder, respectively; but no such waiver shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon. Whenever any default or Event of Default hereunder shall have been waived as permitted by this

Section 5.7, said default or Event of Default shall for all purposes of the Securities and this Indenture be deemed to have been cured and to be not continuing.

Section 5.8 Notice of Defaults. The Trustee shall, within 90 days after the occurrence of a default, with respect to Securities of any series then Outstanding, mail to all Holders of Securities of such series, as the names and the addresses of such Holders appear upon the Security register, notice of all defaults known to the Trustee with respect to such series, unless such defaults shall have been cured before the giving of such notice (the term "defaults" for the purpose of this Section 5.8 being hereby defined to be the events specified in subsections (a), (b), (c), (d), (e), (f) and (g) of Section 5.1, not including periods of grace, if any, provided for therein and irrespective of the giving of the written notice specified in said subsection (d) but, in the case of any default of the character specified in said subsection (d), no such notice to Securityholders shall be given until at least 60 days after the giving of written notice thereof to the Issuer pursuant to said subsection (d)); provided, however, that, except in the case of default in the payment of the principal of or interest, if any, on any of the Securities or in the making of any sinking fund payment, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee, or a trust committee of directors or Responsible Officers or both of the Trustee in good faith determines that the withholding of such notice is in the best interests of the Securityholders.

Section 5.9 Undertaking to Pay Costs. All parties to this Indenture agree, and each Holder of any Security by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the cost of such suit and that such court may in its discretion assess reasonable costs, including reasonable attorney's fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant. The provisions of this Section 5.9 shall not, however, apply to any suit instituted by the Trustee, to any suit instituted by any Securityholder or group of Securityholders, holding in the aggregate more than ten percent in principal amount of the Securities of any series then Outstanding or to any suit instituted by any Securityholders for the enforcement of the payment of the principal of or interest, if any, on any Security against the Issuer on or after the due date expressed in such Security.

#### ARTICLE Six

##### CONCERNING THE TRUSTEE

Section 6.1 Duties and Responsibilities of the Trustee; During Default; Prior to Default. With respect to the Holders of any series of Securities issued hereunder, the Trustee, prior to the occurrence of an Event of Default with respect to the Securities of a particular series and after the curing or waiving of all Events of Default that may have occurred with respect to such series, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default with respect to the Securities of a series has occurred (which has not been cured or waived), the Trustee shall exercise with respect to such series of Securities such of the rights and powers vested in it by this Indenture, and use the same degree of

care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

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

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

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

(ii) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any statements, certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but, in the case of any such statements, certificates or opinions that by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture;

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

(c) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders pursuant to Section 5.7 relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee under this Indenture.

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

Section 6.2 Certain Rights of the Trustee. Subject to Section 6.1:

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

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

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

(d) the Trustee shall be under no obligation to exercise any of the trusts or powers vested in it by this Indenture at the request, order or direction of any of the Securityholders pursuant to the provisions of this Indenture (including those under Section 5.1), unless such Securityholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities that may be incurred therein or thereby;

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

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

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

Section 6.3 Trustee Not Responsible for Recitals, Disposition of Securities or Application of Proceeds Thereof. The recitals contained herein and in the Securities, except the Trustee's certificates of authentication, shall be taken as the statements of the Issuer, and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representation as to the validity or sufficiency of this Indenture, of the Securities or of any prospectus used to sell the Securities. The Trustee shall not be accountable for the use or application by the Issuer of any of the Securities or of the proceeds thereof.

Section 6.4 Trustee and Agents May Hold Securities; Collections, etc. The Trustee or any agent of the Issuer or the Trustee, in its individual or any other capacity, may become the owner or pledgee of Securities with the same rights it would have if it were not the Trustee or such agent and, subject to Sections 6.8 and 6.13, may otherwise deal with the Issuer and receive, collect, hold and retain collections from the Issuer with the same rights it would have if it were not the Trustee or such agent.

Section 6.5 Moneys Held by Trustee. Subject to the provisions of Section 10.1 hereof, all moneys received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but they need not be segregated from other funds except to the extent required by mandatory provisions of law. Neither the Trustee nor any agent of the Issuer or the Trustee shall be under any liability for interest on any moneys received by it hereunder.

Section 6.6 Compensation and Indemnification of Trustee and its Prior Claim. The Issuer covenants and agrees to pay to the Trustee from time to time, and the Trustee shall be entitled to, reasonable compensation (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) and the Issuer covenants and agrees to pay or reimburse the Trustee and each predecessor Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by or on behalf of it in accordance with any of the provisions of this Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and of all agents and other persons not regularly in its employ), except any such expense, disbursement or advance as may arise from its negligence or bad faith. The Issuer also covenants to indemnify the Trustee and each predecessor Trustee for, and to hold it harmless against, any loss, liability or expense, incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of this Indenture or the trusts hereunder and its duties hereunder, including the costs and expenses of defending itself against or investigating any claim or liability in the premises. The obligations of the Issuer under this Section 6.6 to compensate and indemnify the Trustee and each predecessor Trustee and to pay or reimburse the Trustee and each predecessor Trustee for expenses, disbursements and advances shall constitute additional indebtedness hereunder and shall survive the satisfaction and discharge of this Indenture or the resignation or removal of the Trustee and shall not be subordinate to the payment of the Superior Indebtedness pursuant to Article Fourteen. Such additional indebtedness shall be a senior claim to that of the Securities upon all property and funds held or collected by the Trustee as such, except funds held in trust for the benefit of the Holders of particular Securities, and the Securities are hereby subordinated to such senior claim. When the Trustee incurs expenses or renders services in connection with an Event of Default specified in Section 5.1 or in connection with Article Five hereof, the expenses (including the reasonable fees and expenses of its counsel) and the compensation for the service in connection therewith are intended to constitute expenses of administration under any bankruptcy law.

Section 6.7 Right of Trustee to Rely on Officer's Certificate, etc. Subject to Sections 6.1 and 6.2, whenever in the administration of the trusts of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or bad faith on the part of the Trustee, be deemed to be conclusively proved and established by an Officers' Certificate delivered to the

Trustee, and such certificate, in the absence of negligence or bad faith on the part of the Trustee, shall be full warrant to the Trustee for any action taken, suffered or omitted by it under the provisions of this Indenture upon the faith thereof.

Section 6.8 Qualification of Trustee; Conflicting Interests.

(a) If the Trustee has or shall acquire any conflicting interest (as defined in subsection (d) of this Section), then within 90 days after ascertaining that it has such conflicting interest, and if the default (as defined in subsection (d) of this Section) to which such conflicting interest relates has not been cured or duly waived or otherwise eliminated before the end of such 90-day period, the Trustee shall either eliminate such conflicting interest or, except as otherwise provided below, resign, and the Issuer shall take prompt steps to have a successor appointed in the manner provided in Section 6.10.

(b) If the Trustee shall fail to comply with the provisions of subsection (a) of this Section, the Trustee shall within 10 days after the expiration of such 90-day period, transmit notice of such failure to the Securityholders in the manner and to the extent provided in Section 4.4 and, subject to the provisions of Section 5.9, unless the Trustee's duty to resign is stayed as provided below, any Securityholder who has been a bona fide holder of Securities for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee, and the appointment of a successor, if the Trustee fails, after written request thereof by such Securityholder, to comply with the provisions of subsection (a).

(c) Except in the case of a default in the payment of the principal of or interest on any Security or in the payment of any sinking or purchase fund installment, the Trustee shall not be required to resign as provided by this Section 6.8 if the Trustee shall have sustained the burden of proving, on application to the Commission and after opportunity for hearing thereon, that:

(i) the default under the Indenture may be cured or waived during a reasonable period and under the procedures described in such application, and

(ii) a stay of the Trustee's duty to resign will not be inconsistent with the interests of Holders of the Securities.

The filing of such an application shall automatically stay the performance of the duty to resign until the Commission orders otherwise. Any resignation of the Trustee shall become effective only upon the appointment of a successor trustee in accordance with the provisions of Section 6.10 and such successor's acceptance of such an appointment.

(d) For the purposes of this Section 6.8, the Trustee shall be deemed to have a conflicting interest with respect to Securities of any series if the Securities of such series are in default (as determined in accordance with the provisions of Section 5.1 but exclusive of any period of grace or requirement of notice) and

(i) the Trustee is trustee under this Indenture with respect to the Outstanding Securities of any other series or is a trustee under another indenture under which

any other securities or certificates of interest or participation in any other securities of the Issuer are outstanding, unless such other indenture is a collateral trust indenture under which the only collateral consists of Securities issued under this Indenture; provided, that there shall be excluded from the operation of this paragraph, this Indenture with respect to the Securities of any other series and there shall also be so excluded any other indenture or indentures under which other securities or certificates of interest or participation in other securities of the Issuer are outstanding if (x) this Indenture is and, if applicable, this Indenture and any series issued pursuant to this Indenture and such other indenture or indentures are wholly unsecured and rank equally, and such other indenture or indentures are hereafter qualified under the Trust Indenture Act of 1939, unless the Commission shall have found and declared, by order pursuant to Section 305(b) or Section 307(c) of the Trust Indenture Act of 1939, that differences exist between the provisions of this Indenture with respect to Securities of such series and one or more other series or the provisions of this Indenture and the provisions of such other indenture or indentures that are so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify the Trustee from acting as such under this Indenture with respect to Securities of such series and such other series, or under this Indenture or such other indenture or indentures, or (y) the Issuer shall have sustained the burden of proving, on application to the Commission and after opportunity for hearing thereon, that trusteeship under this Indenture with respect to Securities of such series and such other series or under this Indenture and such other indenture or indentures is not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify the Trustee from acting as such under this Indenture with respect to Securities of such series and such other series or under this Indenture and such other indentures;

(ii) the Trustee or any of its directors or executive officers is an underwriter for the Issuer;

(iii) the Trustee directly or indirectly controls or is directly or indirectly controlled by or is under direct or indirect common control with an underwriter for the Issuer;

(iv) the Trustee or any of its directors or executive officers is a director, officer, partner, employee, appointee or representative of the Issuer or of an underwriter (other than the Trustee itself) for the Issuer who is currently engaged in the business of underwriting, except that (x) one individual may be a director or an executive officer, or both, of the Trustee and a director or an executive officer, or both, of the Issuer, but may not be at the same time an executive officer of both the Trustee and the Issuer; (y) if and so long as the number of directors of the Trustee in office is more than nine, one additional individual may be a director or an executive officer, or both, of the Trustee and a director of the Issuer; and (z) the Trustee may be designated by the Issuer or by any underwriter for the Issuer to act in the capacity of transfer agent, registrar, custodian, paying agent, fiscal agent, escrow agent or depository or in any other similar capacity or, subject to the provisions of paragraph (i) of subsection (d) of this Section, to act as trustee, whether under an indenture or otherwise;

(v) 10% or more of the voting securities of the Trustee is beneficially owned either by the Issuer or by any director, partner or executive officer thereof or 20% or more of such voting securities is beneficially owned, collectively, by any two or more of such persons; or 10% or more of the voting securities of the Trustee is beneficially owned either by an

underwriter for the Issuer or by any director, partner, or executive officer thereof or is beneficially owned, collectively, by any two or more such persons;

(vi) the Trustee is the beneficial owner of, or holds as collateral security for an obligation that is in default, (x) 5% or more of the voting securities or 10% or more of any other class of security of the Issuer, not including the Securities issued under this Indenture and securities issued under any other indenture under which the Trustee is also trustee, or (y) 10% or more of any class of security of an underwriter for the Issuer;

(vii) the Trustee is the beneficial owner of, or holds as collateral security for an obligation which is in default, 5% or more of the voting securities of any person who, to the knowledge of the Trustee, owns 10% or more of the voting securities of, or controls directly or indirectly or is under direct or indirect common control with the Issuer;

(viii) the Trustee is the beneficial owner of, or holds as collateral security for an obligation which is in default, 10% or more of any class of security of any Person who, to the knowledge of the Trustee, owns 50% or more of the voting securities of the Issuer;

(ix) the Trustee owns on the date of default (as determined in accordance with the provisions of Section 5.1, but exclusive of any period of grace or requirement of notice) or on an anniversary of such default while such default remains outstanding, in the capacity of executor, administrator, testamentary or inter vivos trustee, guardian, committee or conservator or in any other similar capacity, an aggregate of 25% or more of the voting securities, or of any other class of security, of any Person, the beneficial ownership of a specified percentage of which would have constituted a conflicting interest under paragraphs (vi), (vii) or (viii) of this subsection. As to any such securities of which the Trustee acquired ownership through becoming executor, administrator, or testamentary trustee of an estate that included them, the provisions of the preceding sentence shall not apply for a period of two years from the date of such acquisition to the extent that such securities included in such estate do not exceed 25% of such voting securities or 25% of any such class of security. Promptly after the dates of any such default and annually in each succeeding year that the Securities remain in default, the Trustee shall make a check of its holdings of such securities in any of the above-mentioned capacities as of such dates. If the Issuer fails to make payment in full of principal of or interest on any of the Securities when and as the same becomes due and payable and such failure continues for 30 days thereafter, the Trustee shall make a prompt check of its holdings of such Securities in any of the above-mentioned capacities as of the date of the expiration of such 30-day period, and after such date, notwithstanding the foregoing provisions of this paragraph, all such Securities so held by the Trustee, with sole or joint control over such Securities vested in it, but only so long as such failure shall continue, be considered as though beneficially owned by the Trustee for the purposes of paragraphs (vi), (vii) and (viii) of this subsection; or

(x) except under the circumstances described in paragraphs (i), (iii), (iv), (v) or (vi) of subsection (f) of Section 6.13, the Trustee shall be or shall become a creditor of the Issuer.

(e) For purposes of paragraph (i) of subsection (d) of this Section, the term "series of securities" or "series" means a series, class or group of securities issuable under an indenture pursuant to terms of which holders of one such series may vote to direct the Trustee, or otherwise take action pursuant to a vote of such holders, separately from holders of another such series; provided, however, that the terms "series of securities" or "series" shall not include any series of securities issuable under an indenture if all such series rank equally and are wholly unsecured.

(f) The specification of percentages in paragraphs (v) to (ix), inclusive, of subsection (d) of this Section 6.8 shall not be construed as indicating that the ownership of such percentages of the securities of a person is or is not necessary or sufficient to constitute direct or indirect control for the purposes of paragraph (iii) or (vii) of subsection (d) of this Section 6.8.

(g) For the purposes of paragraphs (vi), (vii), (viii) and (ix) of subsection (d) of this Section 6.8 only:

(i) the terms "security" and "securities" shall include only such securities as are generally known as corporate securities and shall not include any note or other evidence of indebtedness issued to evidence an obligation to repay moneys lent to a person by one or more banks, trust companies or banking firms, or any certificate of interest or participation in any such note or evidence of indebtedness;

(ii) an obligation shall be deemed to be in default when a default in payment of principal shall have continued for 30 days or more and shall not have been cured; and

(iii) the Trustee shall not be deemed to be the owner or holder of (x) any security which it holds as collateral security as trustee or otherwise for an obligation that is not in default as defined in paragraph (ii) above or (y) any security that it holds as collateral security under this Indenture, irrespective of any default hereunder, or (z) any security that it holds as agent for collection or as custodian, escrow agent or depositary or in any similar representative capacity.

Except as provided above, the word "security" or "securities" as used in this Section 6.8 shall mean any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas or other mineral rights, or, in general, any interest or instrument commonly known as a "security," or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing.

(h) For purposes of this Section 6.8:

(i) the term "underwriter," when used with reference to the Issuer, shall mean every person who, within a one year period prior to the time as of which the determination is made, was an underwriter of any security of the Issuer outstanding at the time of the determination;

(ii) the term "director" shall mean any director of a corporation or any individual performing similar functions with respect to any organization, whether incorporated or unincorporated;

(iii) the term "person" shall mean an individual, a corporation, a partnership, an association, a joint-stock company, a trust, an unincorporated organization or a government or political subdivision thereof; as used in this paragraph, the term "trust" shall include only a trust where the interest or interests of the beneficiary or beneficiaries are evidenced by a security;

(iv) the term "voting security" shall mean any security currently entitling the owner or holder thereof to vote in the direction or management of the affairs of a person or any security issued under or pursuant to any trust, agreement or arrangement whereby a trustee or trustees or agent or agents for the owner or holder of such security are currently entitled to vote in the direction or management of the affairs of a person;

(v) the term "Issuer" shall mean any obligor upon the Securities; and

(vi) the term "executive officer" shall mean the president, every vice president, every trust officer, the cashier, the secretary and the treasurer of a corporation and any individual customarily performing similar functions with respect to any organization, whether incorporated or unincorporated, but shall not include the chairman of the board of directors.

(i) The percentages of voting securities and other securities specified in this Section 6.8 shall be calculated in accordance with the following provisions:

(i) A specified percentage of the voting securities of the Trustee, the Issuer or any other person referred to in this Section 6.8 (each of whom is referred to as a person in this paragraph) means such amount of the outstanding voting securities of such person as entitles the holder or holders thereof to cast such specified percentage of the aggregate votes which the holders of all the outstanding voting securities of such person are entitled to cast in the direction or management of the affairs of such person;

(ii) a specified percentage of a class of securities of a person means such percentage of the aggregate amount of securities of the class outstanding;

(iii) the term "amount," when used in regard to securities, means the principal amount if relating to evidences of indebtedness, the number of shares if relating to capital shares and the number of units if relating to any other kind of security;

(iv) the term "outstanding" means issued and not held by or for the account of the Issuer; the following securities shall not be deemed outstanding within the meaning of this definition:

(1) securities of an Issuer held in a sinking fund relating to securities of the Issuer of the same class;

(2) securities of an Issuer held in a sinking fund relating to another class of securities of the Issuer if the obligation evidenced by such other class of securities is not in default as to principal or interest or otherwise;

(3) securities pledged by the Issuer thereof as security for an obligation of the Issuer not in default as to principal or interest or otherwise; and

(4) securities held in escrow if placed in escrow by the Issuer thereof;

provided that any voting securities of an Issuer shall be deemed outstanding if any person other than the Issuer is entitled to exercise the voting rights thereof; and

(v) a security shall be deemed to be of the same class as another security if both securities confer upon the holder or holders thereof substantially the same rights and privileges; provided, however, that, in the case of secured evidences of indebtedness, all of which are issued under a single indenture, differences in the interest rates or maturity dates of various series thereof shall not be deemed sufficient to constitute such series as different classes and provided, further, that, in the case of unsecured evidences of indebtedness, differences in the interest rates or maturity dates thereof shall not be deemed sufficient to constitute them securities of different classes, whether or not they are issued under a single indenture.

Section 6.9 Persons Eligible for Appointment as Trustee. The Trustee for each series of Securities hereunder shall at all times be a corporation that is organized and doing business under the laws of the United States of America or of any state or the District of Columbia having a combined capital and surplus of at least \$5,000,000, is authorized under such laws to exercise corporate trust powers and is subject to supervision or examination by federal, state or District of Columbia authority or a corporation or other Person permitted to act as trustee by the Commission. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section 6.9, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. No obligor upon the Securities and no Person directly or indirectly controlling, controlled by, or under common control with such obligor shall serve as Trustee upon the Securities. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 6.9, the Trustee shall resign immediately in the manner and with the effect specified in Section 6.10.

Section 6.10 Resignation and Removal, Appointment of Successor Trustee.

(a) The Trustee, or any trustee or trustees hereafter appointed, may at any time resign with respect to one or more or all series of Securities by giving written notice of resignation to the Issuer and by mailing notice of such resignation to the Holders of then Outstanding Securities of each series affected at their addresses as they shall appear on the registry books. Upon receiving such notice of resignation, the Issuer shall promptly appoint a successor trustee or trustees with respect to the applicable series by written instrument in duplicate, executed by authority of the Board of Directors, one copy of which instrument shall be

delivered to the resigning Trustee and one copy to the successor trustee or trustees. If no successor trustee shall have been so appointed with respect to any series and have accepted appointment within 30 days after the mailing of such notice of resignation, the resigning trustee may petition any court of competent jurisdiction for the appointment of a successor trustee, or any Securityholder who has been a bona fide Holder of a Security or Securities of the applicable series for at least six months may, subject to the provisions of Section 5.9, on behalf of himself and all others similarly situated, petition any such court for the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor trustee,

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

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

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

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

then, in any such case, the Issuer may remove the Trustee with respect to the applicable series of Securities and appoint a successor trustee for such series by written instrument, in duplicate, executed by order of the Board of Directors, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor trustee, or, subject to the provisions of Section 5.9, any Securityholder who has been a bona fide Holder of a Security or Securities of such series for at least six months may on behalf of himself and all others similarly situated petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor trustee with respect to such series. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, remove the Trustee and appoint a successor trustee.

(c) The Holders of a majority in aggregate principal amount of the Securities of each series then Outstanding may at any time remove the Trustee with respect to Securities of such series and appoint a successor trustee with respect to the Securities of such series by delivering to the Trustee so removed, to the successor trustee so appointed and to the Issuer the evidence provided for in Section 7.1 of the action in that regard taken by the Securityholders.

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

Section 6.11 Acceptance of Appointment by Successor Trustee.

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

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

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

(d) Upon acceptance of appointment by any successor trustee as provided in this Section 6.11, the Issuer shall give notice thereof to the Holders of Securities of each series affected, by mailing such notice to such Holders at their addresses as they shall appear on the registry books. If the acceptance of appointment is substantially contemporaneous with the resignation, then the notice called for by the preceding sentence may be combined with the notice called for by Section 6.10. If the Issuer fails to give such notice within ten days after acceptance of appointment by the successor trustee, the successor trustee shall cause such notice to be given at the expense of the Issuer.

Section 6.12 Merger, Conversion, Consolidation or Succession to Business of Trustee.

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

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

#### Section 6.13 Preferential Collection of Claims Against the Issuer.

(a) Subject to the provisions of this Section, if the Trustee shall be or shall become a creditor, directly or indirectly, secured or unsecured, of the Issuer within three months prior to a default, as defined in paragraph (i) of subsection (g) of this Section 6.13, or subsequent to such a default, then, unless and until such default shall be cured, the Trustee shall set apart and hold in a special account for the benefit of the Trustee individually, the Holders of the Securities and the holders of other indenture securities:

(i) an amount equal to any and all reductions in the amount due and owing upon any claim as such creditor in respect of principal or interest, effected after the beginning of such three month period and valid as against the Issuer and its other creditors, except any such reduction resulting from the receipt or disposition of any property described in paragraph (ii) of this subsection (a), or from the exercise of any right of set-off which the Trustee could have exercised if a petition in bankruptcy had been filed by or against the Issuer upon the date of such default; and

(ii) all property received by the Trustee in respect of any claim as such creditor, either as security therefor, or in satisfaction or composition thereof, or otherwise, after the beginning of such three month period, or an amount equal to the proceeds of any such property, if disposed of, subject, however, to the rights, if any, of the Issuer and its other creditors in such property or such proceeds.

(b) Nothing herein contained, however, shall affect the right of the Trustee:

(i) to retain for its own account (x) payments made on account of any such claim by any Person (other than the Issuer) who is liable thereon, (y) the proceeds of the

bona fide sale of any such claim by the Trustee to a third Person, and (z) distributions made in cash, securities or other property in respect of claims filed against the Issuer in bankruptcy or receivership or in proceedings for reorganization pursuant to the Bankruptcy Code or applicable state law;

(ii) to realize, for its own account, upon any property held by it as security for any such claim, if such property was so held prior to the beginning of such three month period;

(iii) to realize, for its own account, but only to the extent of the claim hereinafter mentioned, upon any property held by it as security for any such claim, if such claim was created after the beginning of such three month period and such property was received as security therefor simultaneously with the creation thereof and if the Trustee shall sustain the burden of proving that at the time such property was so received the Trustee had no reasonable cause to believe that a default as defined in paragraph (i) of subsection (g) of this Section would occur within three months; or

(iv) to receive payment on any claim referred to in paragraph (ii) or (iii) of this subsection (b), against the release of any property held as security for such claim as provided in such paragraph (ii) or (iii), as the case may be, to the extent of the fair value of such property.

(c) For the purposes of paragraphs (ii), (iii) and (iv) of subsection (b) of this Section, property substituted after the beginning of such three month period for property held as security at the time of such substitution shall, to the extent of the fair value of the property released, have the same status as the property released, and, to the extent that any claim referred to in any of such paragraphs is created in renewal of or in substitution for or for the purpose of repaying or refunding any pre-existing claim of the Trustee as such creditor, such claim shall have the same status as such pre-existing claim.

(d) If the Trustee shall be required to account, the funds and property held in such special account and the proceeds thereof shall be apportioned between the Trustee, the Securityholders and the holders of other indenture securities in such manner that the Trustee, such Securityholders and the holders of other indenture securities realize, as a result of payments from such special account and payments of dividends on claims filed against the Issuer in bankruptcy or receivership or in proceedings for reorganization pursuant to the Bankruptcy Code or applicable state law, the same percentage of their respective claims, figured before crediting to the claim of the Trustee anything on account of the receipt by it from the Issuer of the funds and property in such special account and before crediting to the respective claims of the Trustee, such Securityholders and the holders of other indenture securities dividends on claims filed against the Issuer in bankruptcy or receivership or in proceedings for reorganization pursuant to the Bankruptcy Code or applicable state law, but after crediting thereon receipts on account of the indebtedness represented by their respective claims from all sources other than from such dividends and from the funds and property so held in such special account. As used in this subsection, with respect to any claim, the term "dividends" shall include any distribution with respect to such claim, in bankruptcy or receivership or in proceedings for reorganization pursuant to the Bankruptcy Code or applicable state law, whether such distribution is made in cash,

securities or other property, but shall not include any such distribution with respect to the secured portion, if any, of such claim. The court in which such bankruptcy, receivership or proceeding for reorganization is pending shall have jurisdiction:

(i) to apportion between the Trustee, such Securityholders and the holders of other indenture securities, in accordance with the provisions of this paragraph, the funds and property held in such special account and the proceeds thereof; or

(ii) in lieu of such apportionment, in whole or in part, to give to the provisions of this paragraph due consideration in determining the fairness of the distributions to be made to the Trustee, such Securityholders and the holders of other indenture securities with respect to their respective claims;

in which event it shall not be necessary to liquidate or to appraise the value of any securities or other property held in such special account or as security for any such claim, or to make a specific allocation of such distributions as between the secured and unsecured portions of such claims, or otherwise to apply the provisions of this paragraph as a mathematical formula.

(e) Any Trustee that has resigned or been removed after the beginning of such three month period shall be subject to the provisions of this Section 6.13 as though such resignation or removal had not occurred. If any Trustee has resigned or been removed prior to the beginning of such three month period, it shall be subject to the provisions of this Section 6.13 if and only if the following conditions exist:

(i) the receipt of property or reduction of claim that would have given rise to the obligation to account, if such Trustee had continued as trustee, occurred after the beginning of such three month period; and

(ii) such receipt of property or reduction of claim occurred within three months after such resignation or removal.

(f) There shall be excluded from the operation of this Section 6.13 a creditor relationship arising from:

(i) the ownership or acquisition of securities issued under any indenture or any security or securities having a maturity of one year or more at the time of acquisition by the Trustee;

(ii) advances authorized by a receivership or bankruptcy court of competent jurisdiction or by this Indenture for the purpose of preserving any property that shall at any time be subject to the lien of this Indenture or discharging tax liens or other prior liens or encumbrances thereon, if notice of such advance and of the circumstances surrounding the making thereof is given to the Securityholders at the time and in the manner provided in this indenture;

(iii) disbursements made in the ordinary course of business in the capacity of trustee under an indenture, transfer agent, registrar, custodian, paying agent, fiscal agent or depositary, or other similar capacity;

(iv) an indebtedness created as a result of services rendered or premises rented or an indebtedness created as a result of goods or securities sold in a cash transaction as defined in paragraph (ii) of subsection (g) of this Section 6.13;

(v) the ownership of stock or of other securities of a corporation organized under the provisions of Section 25(a) of the Federal Reserve Act, as amended, that is directly or indirectly a creditor of the Issuer; or

(vi) the acquisition, ownership, acceptance or negotiation of any drafts, bills of exchange, acceptances or obligations that fall within the classification of self-liquidating paper as defined in paragraph (iii) of subsection (g) of this Section 6.13.

(g) As used in this Section 6.13:

(i) the term "default" shall mean any failure to make payment in full of the principal of or interest on any of the Securities when and as such principal or interest becomes due and payable;

(ii) the term "cash transaction" shall mean any transaction in which full payment for goods or securities sold is made within seven days after delivery of the goods or securities in currency or in checks or other orders drawn upon banks or bankers and payable upon demand;

(iii) the term "self-liquidating paper" shall mean any draft, bill of exchange, acceptance or obligation which is made, drawn, negotiated or incurred by the Issuer for the purpose of financing the purchase, processing, manufacture, shipment, storage or sale of goods, wares or merchandise and which is secured by documents evidencing title to, possession of or a lien upon, the goods, wares or merchandise or the receivables or proceeds arising from the sale of the goods, wares or merchandise previously constituting the security, provided the security is received by the Trustee simultaneously with the creation of the creditor relationship with the Issuer arising from the making, drawing, negotiating or incurring of the draft, bill of exchange, acceptance or obligation; and

(iv) the term "Issuer" shall mean any obligor upon the Securities.

#### Section 6.14 Appointment of Authenticating Agent.

(a) As long as any Securities of a series remain Outstanding, the Trustee may, by an instrument in writing, appoint with the approval of the Issuer an authenticating agent (the "Authenticating Agent") which shall be authorized to act on behalf of the Trustee to authenticate Securities, including Securities issued upon exchange, registration of transfer, partial redemption or pursuant to Section 2.9. Securities of each such series authenticated by such Authenticating Agent shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee. Whenever reference is made in this Indenture to the authentication and delivery of Securities of any series by the Trustee or to the Trustee's

Certificate of Authentication, such reference shall be deemed to include authentication and delivery on behalf of the Trustee by an Authenticating Agent for such series and a Certificate of Authentication executed on behalf of the Trustee by such Authenticating Agent. Such Authenticating Agent shall at all times be a corporation organized and doing business under the laws of the United States of America or of any state or the District of Columbia, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$5,000,000 (determined as provided in Section 6.9 with respect to the Trustee) and subject to supervision or examination by federal or state authority.

(b) Any corporation into which any Authenticating Agent may be merged or converted or with which it may be consolidated or any corporation resulting from any merger, conversion or consolidation to which any Authenticating Agent shall be a party or any corporation succeeding to the corporate agency business of any Authenticating Agent shall continue to be the Authenticating Agent with respect to all series of Securities for which it served as Authenticating Agent without the execution or filing of any paper or any further act on the part of the Trustee or such Authenticating Agent. Any Authenticating Agent may at any time, and, if it shall cease to be eligible shall, resign by giving written notice of resignation to the Trustee and to the Issuer. The Trustee may at any time terminate the agency of an Authenticating Agent by giving written notice thereof to such Authenticating Agent and to the Issuer.

(c) Upon receiving such a notice of resignation or upon such a termination, or in case at any time any Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section 6.14 with respect to one or more series of Securities, the Trustee may appoint a successor Authenticating Agent which shall be acceptable to the Issuer and the Issuer shall provide notice of such appointment to all Holders of Securities of such series in the manner and to the extent provided in Section 11.4. Any successor Authenticating Agent upon acceptance of its appointment hereunder shall become vested with all rights, powers, duties and responsibilities of its predecessor hereunder, with like effect as is originally named as Authenticating Agent. The Issuer agrees to pay to the Authenticating Agent for such series from time to time reasonable compensation. The Authenticating Agent for the Securities of any series shall have no responsibility or liability for any action taken by it as such at the direction of the Trustee.

(d) Sections 6.2, 6.3, 6.4 and 7.3 shall be applicable to any Authenticating Agent.

#### ARTICLE SEVEN

##### CONCERNING THE SECURITYHOLDERS

Section 7.1 Evidence of Action Taken by Securityholders. Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by a specified percentage in principal amount of the Securityholders of any or all series may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such specified percentage of Securityholders in person or by agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall

become effective when such instrument or instruments are delivered to the Trustee. Proof of execution of any instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Sections 6.1 and 6.2) conclusive in favor of the Trustee and the Issuer, if made in the manner provided in this Article Seven.

Section 7.2 Proof of Execution of Instruments and of Holding of Securities. Subject to Sections 6.1 and 6.2, the execution of any instrument by a Securityholder or his agent or proxy may be proved in the following manner:

(a) The fact and date of the execution by any Holder of any instrument may be proved by the certificate of any notary public or other officer of any jurisdiction authorized to take acknowledgments of deeds or administer oaths that the person executing such instruments acknowledged to him the execution thereof, or by an affidavit of a witness to such execution sworn to before any such notary or other such officer. Where such execution is by or on behalf of any legal entity other than an individual, such certificate or affidavit shall also constitute sufficient proof of the authority of the Person executing the same.

(b) The ownership of Securities shall be proved by the Security register or by a certificate of the Security registrar.

Section 7.3 Holders to be Treated as Owners. The Issuer, the Trustee and any agent of the Issuer or the Trustee may deem and treat the Person whose name any Security shall be registered upon the Security register for such series as the absolute owner of such Security (whether or not such Security shall be overdue and notwithstanding any notation of ownership or other writing thereon) for the purpose of receiving payment of or on account of the principal of and, subject to the provisions of this Indenture, interest, if any, on such Security and for all other purposes; and neither the Issuer nor the Trustee nor any agent of the Issuer or the Trustee shall be affected by any notice to the contrary.

Section 7.4 Securities Owned by Issuer Deemed Not Outstanding. In determining whether the Holders of the requisite aggregate principal amount of Outstanding Securities of any or all series have concurred in any direction, consent or waiver under this Indenture, Securities that are owned by the Issuer or any other obligor on the Securities with respect to which such determination is being made or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer or any other obligor on the Securities with respect to which such determination is being made shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, except that for the purpose of determining whether the Trustee shall be protected in relying on any such direction, consent or waiver only Securities that the Trustee knows are so owned shall be so disregarded. Securities so owned that have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Issuer or any other obligor upon the Securities or any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer or any other obligor on the Securities. In case of a dispute as to such right, the advice of counsel shall be full protection in respect of any decision made by the Trustee in accordance with such advice. Upon request of the Trustee, the Issuer shall furnish to the Trustee promptly an Officers' Certificate listing and identifying all Securities, if any, known by

the Issuer to be owned or held by or for the account of any of the above described Persons; and, subject to Sections 6.1 and 6.2, the Trustee shall be entitled to accept such Officers' Certificate as conclusive evidence of the facts therein set forth and of the fact that all Securities not listed therein are Outstanding for the purpose of any such determination.

Section 7.5 Right of Revocation of Action Taken. At any time prior to (but not after) the evidencing to the Trustee, as provided in Section 7.1, of the taking of any action by the Holders of the percentage in aggregate principal amount of the Securities of any or all series, as the case may be, specified in this Indenture in connection with such action, any Holder of a Security the serial number of which is shown by the evidence to be included among the serial numbers of the Securities the Holders of which have consented to such action may, by filing written notice at the Corporate Trust Office and upon proof of holding as provided in this Article Seven, revoke such action so far as concerns such Security provided that such revocation shall not become effective until three business days after such filing. Except as aforesaid, any such action taken by the Holder of any Security shall be conclusive and binding upon such Holder and upon all future Holders and owners of such Security and of any Securities issued in exchange or substitution therefor or on registration of transfer thereof irrespective of whether or not any notation in regard thereto is made upon any such Security. Any action taken by the Holders of the percentage in aggregate principal amount of the Securities of any or all series, as the case may be, specified in this Indenture in connection with such action shall be conclusively binding upon the Issuer, the Trustee and the Holders of all the Securities affected by such action.

Section 7.6 Record Date for Consents and Waivers. The Issuer may, but shall not be obligated to, direct the Trustee to establish a record date for the purpose of determining the record date for the purpose of determining the Holders entitled to:

(a) waive any past default with respect to the Securities of such series in accordance with Section 5.7 of this Indenture;

(b) consent to any supplemental indenture in accordance with Section 8.2 of this Indenture; or

(c) waive compliance with any term, condition or provision of any covenant hereunder.

If a record date is fixed, the Holders on such record date, or their duly designated proxies, shall be entitled to waive any such past default, consent to any such supplemental indenture or waive compliance with any such term, condition or provision, whether or not such Holder remains a Holder after such record date; provided, however, that unless such waiver or consent is obtained from the Holders, or duly designated proxies, of the requisite principal amount of Outstanding Securities of such series prior to the date which is the 90th day after such record date, any such waiver or consent previously given shall automatically and without further action by any Holder be cancelled and of no further effect.

ARTICLE EIGHT

SUPPLEMENTAL INDENTURES

Section 8.1 Supplemental Indentures Without Consent of Securityholders. The Issuer, when authorized by a resolution of the Board of Directors (which resolution may provide general terms or parameters for such action and may provide that the specific terms of such action may be determined in accordance with or pursuant to an Issuer Order), and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto (which shall conform to the provisions of the Trust indenture Act of 1939 as in force at the date of the execution thereof) for one or more of the following purposes:

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

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

(c) to cure an ambiguity or to correct or supplement any provision contained herein or in any supplemental indenture which may be defective or inconsistent with any other provision contained herein or in any supplemental indenture, or to make any other provisions as the Issuer may deem necessary or desirable, provided that no such action shall adversely affect the interests of the Holders of the Securities;

(d) to establish the form or terms of Securities of any series as permitted by Sections 2.1 and 2.3 and to provide for adjustment of conversion rights pursuant to Section 13.5; and

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

The Trustee is hereby authorized to join with the Issuer in the execution of any such supplemental indenture, to make any further appropriate agreements and stipulations that may be

therein contained and to accept the conveyance, transfer, assignment, mortgage or pledge of any property thereunder, but the Trustee shall not be obligated to enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Any supplemental indenture authorized by the provisions of this Section 8.1 may be executed without the consent of the Holders of any of the Securities then Outstanding, notwithstanding any of the provisions of Section 8.2.

Section 8.2 Supplemental Indentures With Consent of Securityholders.

(a) With the consent (evidenced as provided in Article Seven) of the Holders of not less than a majority in aggregate principal amount of the Securities then Outstanding of any series affected by such supplemental indenture, the Issuer, when authorized by a resolution of the Board of Directors (which resolution may provide general terms or parameters for such action and may provide that the specific terms of such action may be determined in accordance with or pursuant to an Issuer Order), and the Trustee may, from time to time and at any time, enter into an indenture or indentures supplemental hereto (which shall conform to the provisions of the Trust Indenture Act of 1939 as in force at the date of execution thereof) for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of any supplemental indenture or of modifying in any manner the rights of the Holders of the Securities of such series, provided, that no such supplemental indenture shall:

(i) do any of the following:

(1) extend the final maturity of any Security;

(2) reduce the principal amount thereof;

(3) reduce the rate or extend the time of payment of interest, if any, thereon;

(4) reduce or alter the method of computation of any amount payable on redemption, repayment or purchase by the Company thereof (or the time at which any such redemption, repayment or purchase may be made);

(5) make the principal thereof (including any amount in respect of original issue discount) or interest, if any, thereon payable in any coin or currency other than that provided in the Securities or in accordance with the terms of the Securities;

(6) reduce the amount of the principal of an Original Issue Discount Security that would be due and payable upon an acceleration of the maturity thereof pursuant to Section 5.1 or the amount thereof provable in bankruptcy pursuant to Section 5.2; or

(7) impair or affect the right of any Securityholder to institute suit for the payment or conversion thereof or materially and adversely affect the right to convert the Securities in accordance herewith or, if the Securities provide therefor, any right of repayment at the option of the Securityholder;

in each case without the consent of the Holder of each Security so affected, or

(ii) reduce the aforesaid percentage of Securities of any series, the consent of the Holders of which is required for any such supplemental indenture, without the consent of the Holders of each Security so affected.

(b) No consent of any Holder of any Security shall be necessary under this Section 8.2 to permit the Trustee and the Issuer to execute supplemental indentures pursuant to Section 8.1, 9.2 and Section 13.5.

(c) A supplemental indenture that changes or eliminates any covenant or other provision of this Indenture that has expressly been included solely for the benefit of one or more particular series of Securities or that modifies the rights of Holders of Securities of such series with respect to such covenant or provision shall be deemed not to affect the rights under this Indenture of the Holders of Securities of any other series.

(d) Upon the request of the Issuer, accompanied by a copy of a resolution of the Board of Directors (which resolution may provide general terms or parameters for such action and may provide that the specific terms of such action may be determined in accordance with or pursuant to an Issuer Order) certified by the secretary or an assistant secretary of the Issuer authorizing the execution of any such supplemental indenture, and upon the filing with the Trustee of evidence of the consent of the Holders of the Securities as aforesaid and other documents, if any, required by Section 7.1, the Trustee shall join with the Issuer in the execution of such supplemental indenture unless such supplemental indenture affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such supplemental indenture.

(e) It shall not be necessary for the consent of the Securityholders under this Section 8.2 to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof.

(f) Promptly after the execution by the Issuer and the Trustee of any supplemental indenture pursuant to the provisions of this Section 8.1, the Trustee shall give notice thereof to the Holders of then Outstanding Securities of each series affected thereby by mailing a notice thereof by first-class mail to such Holders at their addresses as they shall appear on the Security register. Any failure of the Issuer to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

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

Section 8.4 Documents to Be Given to Trustee. The Trustee, subject to the provisions of Sections 6.1 and 6.2, shall be entitled to receive an Officers' Certificate and an Opinion of Counsel as conclusive evidence that any supplemental indenture executed pursuant to this Article Eight complies with the applicable provisions of this indenture.

Section 8.5 Notation on Securities in Respect of Supplemental Indentures. Securities of any series authenticated and delivered after the execution of any supplemental indenture pursuant to the provisions of this Article Eight may bear a notation in form approved by the Trustee for such series as to any matter provided for by such supplemental indenture or as to any action taken by Securityholders. If the Issuer or the Trustee shall so determine, new Securities of any series so modified as to conform, in the opinion of the Trustee and the Issuer, to any modification of this Indenture contained in any such supplemental indenture may be prepared by the Issuer, authenticated by the Trustee and delivered in exchange for the Securities of such series then Outstanding.

Section 8.6 Subordination Unimpaired. This Indenture may not be amended to alter the subordination of any Outstanding Securities without the written consent of each holder of Superior Indebtedness then outstanding that would be adversely affected thereby.

#### ARTICLE NINE

##### CONSOLIDATION, MERGER, SALE, CONVEYANCE AND LEASE

Section 9.1 Issuer May Consolidate, etc. on Certain Terms. Subject to the provisions of Section 9.2, nothing contained in this Indenture or in any of the Securities shall prevent any consolidation or merger of the Issuer with or into any other corporation or corporations (whether or not affiliated with the Issuer) or successive consolidations or mergers in which the Issuer or its successor or successors shall be a party or parties or shall prevent any sale, conveyance or lease of all or substantially all the property of the Issuer to any other corporation (whether or not affiliated with the Issuer) authorized to acquire and operate the same; provided, however, and the Issuer hereby covenants and agrees, that any such consolidation, merger, sale, conveyance or lease shall be upon the conditions that:

(a) immediately after such consolidation, merger, sale, conveyance or lease the corporation (whether the Issuer or such other corporation) formed by or surviving any such consolidation or merger or to which such sale, conveyance or lease shall have been made shall not be in default in the performance or observance of any of the terms, covenants and conditions of this Indenture to be kept or performed by the Issuer;

(b) the corporation (if other than the Issuer) formed by or surviving any such consolidation or merger or to which such sale, conveyance or lease shall have been made shall be a corporation organized under the laws of the United States of America, any state thereof or the District of Columbia; and

(c) the due and punctual payment of the principal of and interest, if any, on all the Securities, according to their tenor, and the due and punctual performance and observance of all of the covenants and conditions of this Indenture to be performed by the Issuer shall be

expressly assumed, and the conversion rights, if any, shall be provided for in accordance with Article Thirteen, by supplemental indenture satisfactory in form to the Trustee executed and delivered to the Trustee, by the corporation (if other than the Issuer) formed by such consolidation or into which the Issuer shall have been merged or by the corporation which shall have acquired or leased such property.

Section 9.2 Successor Corporation to be Substituted.

(a) In case of any such consolidation, merger, sale, conveyance or lease and upon the assumption by the successor corporation, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the due and punctual payment of the principal of and interest, if any, on all of the Securities and the due and punctual performance of all of the covenants and conditions of this indenture to be performed by the Issuer, such successor corporation shall succeed to and be substituted for the Issuer, with the same effect as if it had been named herein as the party of the first part, and the Issuer (including any intervening successor to the Issuer that shall have become the obligor hereunder) shall be relieved of any further obligation under this Indenture and the Securities; provided, however, that in the case of a sale, lease or conveyance of the property of the Issuer (including any such intervening successor) in connection with which there is not a plan providing for the complete liquidation of the Issuer (including any such intervening successor), the Issuer (including any such intervening successor) shall continue to be liable on its obligations under this Indenture and the Securities to the extent, but only to the extent, of liability to pay the principal of and interest, if any, on the Securities at the time, places and rate prescribed in this Indenture and the Securities.

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

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

Section 9.3 Opinion of Counsel to be Given Trustee. The Trustee, subject to Sections 6.1 and 6.2, may receive an Opinion of Counsel as conclusive evidence that any such consolidation, merger, sale, conveyance or lease and any such assumption complies with the provisions of this Article Nine.

ARTICLE Ten

SATISFACTION AND DISCHARGE OF INDENTURE; UNCLAIMED MONEYS

Section 10.1 Satisfaction and Discharge of Indenture.

(a) If:

(i) at any time:

(1) the Issuer shall have paid or caused to be paid the principal of and interest, if any, on all the Securities Outstanding (other than Securities that have been destroyed, lost or stolen and that have been replaced or paid as provided in Section 2.9) as and when the same shall have become due and payable, or

(2) the Issuer shall have delivered to the Trustee for cancellation all Securities theretofore authenticated (other than Securities that have been destroyed, lost or stolen and that have been replaced or paid as provided in Section 2.9); and

(ii) in any such case, the Issuer shall also pay or cause to be paid all other sums payable hereunder by the Issuer,

then this Indenture shall cease to be of further effect, and Trustee, on demand of the Issuer accompanied by an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent relating to the satisfaction and discharge contemplated by this provision have been complied with, and at the cost and expense of the Issuer, shall execute proper instruments acknowledging such satisfaction and discharging this Indenture. The Issuer agrees to reimburse the Trustee for any costs or expenses thereafter reasonably and properly incurred, and to compensate the Trustee for any services thereafter reasonably and properly rendered, by the Trustee in connection with this indenture or the Securities.

(b) If at any time

(i) the Issuer shall have paid or caused to be paid the principal of and interest, if any, on all the Securities of any series Outstanding (other than Securities of such series that have been destroyed, lost or stolen and that have been replaced or paid as provided in Section 2.9) as and when the same shall have become due and payable, or

(ii) the Issuer shall have delivered to the Trustee for cancellation all Securities of any series theretofore authenticated (other than any Securities of such series that have been destroyed, lost or stolen and that have been replaced or paid as provided in Section 2.9), or

(iii) in the case of any series of Securities with respect to which the exact amount described in clause (2) below can be determined at the time of making the deposit referred to in such clause (2),

(1) all the Securities of such series not theretofore delivered to the Trustee for cancellation shall have become due and payable, or are by their terms to become due and payable within one year or are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption, and

(2) the Issuer shall have irrevocably deposited or caused to be deposited with the Trustee as funds in trust, specifically pledged as security for, and dedicated solely to, the benefit of the Holders of Securities of such series, cash in an amount (other than moneys repaid by the Trustee or any Paying Agent to the Issuer in accordance with Section 10.4) or direct obligations of the United States of America, backed by its full faith and credit ("U.S. Government Obligations"), maturing as to principal and interest, if any, at such times and in such amounts as will insure the availability of cash, or a combination thereof, sufficient in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay

(A) the principal of and interest, if any, on all Securities of such series on each date that such principal or interest, if any, is due and payable, and

(B) any mandatory sinking fund payments on the dates on which such payments are due and payable in accordance with the terms of this indenture and the Securities of such series,

then, in each case specified in paragraph (i), (ii) and (iii) of this subsection (b), the Issuer shall be deemed to have paid and discharged the entire indebtedness on all the Securities of such series on the date of the event described in paragraph (i), (ii) or (iii), as the case may be, of this subsection (b) and the provisions of this Indenture with respect to the Securities of such series shall no longer be in effect (except, in the case of paragraph (iii) of this subsection (b), as to (1) rights of registration of transfer and exchange of Securities of such series, (2) substitution of mutilated, defaced, destroyed, lost or stolen Securities of such series, (3) rights of Holders of Securities of such series to receive payments of principal thereof and interest, if any, thereon upon the original stated due dates therefor (but not upon acceleration), and remaining rights of the Holders of Securities of such series to receive mandatory sinking fund payments, if any, (4) the rights, obligations, duties and immunities of the Trustee hereunder, (5) the rights of the Holders of Securities of such series as beneficiaries hereof with respect to the property so deposited with the Trustee payable to all or any of them, (6) the obligations of the Issuer under Section 3.2 with respect to Securities of such series and (7) the obligations of the Issuer under Article Thirteen) and the Trustee, on demand of the Issuer accompanied by an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent contemplated by this provision have been complied with, and at the cost and expense of the Issuer, shall execute proper instruments acknowledging the same.

(c) The following provisions shall apply to the Securities of each series (other than Securities that are convertible into Common Stock) unless specifically otherwise provided in a Board Resolution, Officers' Certificate or indenture supplemental hereto provided pursuant to Section 2.3. In addition to discharge of this Indenture pursuant to subsection (b) of this Section, in the case of any series of Securities with respect to which the exact amount described in paragraph (i) below can be determined at the time of making the deposit referred to in such

paragraph (i), the Issuer shall be deemed to have paid and discharged the entire indebtedness on all the Securities of such a series on the 91st day after the date of the deposit referred to in paragraph (i) below, and the provisions of this Indenture with respect to the Securities of such series shall no longer be in effect (except as to (1) rights of registration of transfer and exchange of Securities of such series, (2) substitution of mutilated, defaced, destroyed, lost or stolen Securities of such series, (3) rights of Holders of Securities of such series to receive payments of principal thereof and interest, if any, thereon upon the original stated due dates therefor (but not upon acceleration) and remaining rights of the Holders of Securities of such series to receive mandatory sinking fund payments, if any, (4) the rights, obligations, duties and immunities of the Trustee hereunder, (5) the rights of the Holders of Securities of such series as beneficiaries hereof with respect to the property so deposited with the Trustee payable to all or any of them and (6) the obligations of the Issuer under Section 3.2 with respect to Securities of such series) and the Trustee, on demand of the Issuer accompanied by an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent contemplated by this provision have been complied with, and at the cost and expense of the Issuer, shall execute proper instruments acknowledging the same, if:

(i) with reference to this provision, the Issuer has irrevocably deposited or caused to be irrevocably deposited with the Trustee as funds in trust, specifically pledged as security for, and dedicated solely to, the benefit of the Holders of Securities of such series (x) cash in an amount, (y) U.S. Government Obligations, maturing as to principal and interest, if any, at such times and in such amounts as will insure the availability of cash, or (z) a combination thereof, sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay:

(1) the principal of and interest, if any, on all Securities of such series on each date that such principal or interest, if any, is due and payable, and

(2) any mandatory sinking fund payments on the dates on which such payments are due and payable in accordance with the terms of this indenture and the Securities of such series;

(ii) such deposit will not result in a breach or violation of, or constitute a default under, any agreement or instrument to which the Issuer is a party or by which it is bound; and

(iii) the Issuer has delivered to the Trustee an Opinion of Counsel based on the fact that (x) the Issuer has received from, or there has been published by, the Internal Revenue Service a ruling or (y), since the date hereof, there has been a change in the applicable United States federal income tax law, in either case to the effect that, and such opinion shall confirm that, the Holders of the Securities of such series will not recognize income, gain or loss for federal income tax purposes as a result of such deposit, defeasance and discharge and will be subject to federal income tax on the same amount and in the same manner and at the same times, as would have been the case if such deposit, defeasance and discharge had not occurred.

Section 10.2 Application by Trustee of Funds Deposited for Payment of Securities. Subject to Section 10.4, all moneys deposited with the Trustee pursuant to Section 10.1 shall be held in trust and applied by it to the payment, either directly or through any Paying Agent (including the Issuer acting as its own paying agent), to the Holders of the particular Securities of such series for the payment or redemption of which such moneys have been deposited with the Trustee of all sums due and to become due thereon for principal and interest, if any, but such money need not be segregated from other funds except to the extent required by law. All moneys deposited with the Trustee pursuant to paragraph (iii) of subsection (b) of Section 10.1 and held by it or any Paying Agent for the payment of Securities subsequently converted shall be returned to the Issuer upon the written request of the Issuer.

Section 10.3 Repayment of Moneys Held by Paying Agent. In connection with the satisfaction and discharge of this Indenture with respect to Securities of any series, all moneys then held by any Paying Agent under the provisions of this Indenture with respect to such series of Securities shall, upon demand of the Issuer, be repaid to it or paid to the Trustee and thereupon such Paying Agent shall be released from all further liability with respect to such moneys.

Section 10.4 Return of Moneys Held by Trustee and Paying Agent Unclaimed for Two Years. Any moneys deposited with or paid to the Trustee or any Paying Agent for the payment of the principal of or interest, if any, on any Security of any series and not applied but remaining unclaimed for two years after the date upon which such principal or interest, if any shall have become due and payable shall, upon the written request of the Issuer and unless otherwise required by mandatory provisions of applicable escheat or abandoned or unclaimed property law, be repaid to the Issuer by the Trustee for such series or such Paying Agent, and the Holder of the Securities of such series shall, unless otherwise required by mandatory provisions of applicable escheat or abandoned or unclaimed property laws, thereafter look only to the Issuer for any payment that such Holder may be entitled to collect, and all liability of the Trustee or any Paying Agent with respect to such moneys shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment with respect to moneys deposited with it for any payment in respect of Securities of any series shall, at the expense of the Issuer, mail by first-class mail to Holders of such Securities at their addresses as they shall appear on the Security register notice that such moneys remain and that, after a date specified therein, which shall not be less than thirty days from the date of such mailing or publication, any unclaimed balance of such money then remaining will be repaid to the Issuer.

Section 10.5 Indemnity for US, Government Obligations. The Issuer shall pay, and indemnify the Trustee against, any tax, fee or other charge imposed on or assessed against the US. Government Obligations deposited pursuant to Section 10.1 or the principal or interest received in respect of such obligations.

#### ARTICLE Eleven

##### MISCELLANEOUS PROVISIONS

Section 11.1 Partners, Incorporators, Stockholders, Officers and Directors of Issuer Exempt from Individual Liability. No recourse under or upon any obligation, covenant or

agreement contained in this Indenture, or in any Security, or because of any indebtedness evidenced thereby, shall be had against any incorporator, as such, or against any past, present or future stockholder, officer or director, as such, of the Issuer, or any partner of the Issuer or of any successor, either directly or through the Issuer or any successor, under any rule of law, statute or constitutional provision or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, all such liability being expressly waived and released by the acceptance of the Securities by the Holders thereof and as part of the consideration for the issue of the Securities.

Section 11.2 Provisions of Indenture for the Sole Benefit of Parties and Holders of Superior Indebtedness and Securities. Nothing in this Indenture or in the Securities, expressed or implied, shall give or be construed to give to any person, firm or corporation, other than the parties hereto and their successors and the holders of Superior Indebtedness and the Holders of the Securities, any legal or equitable right, remedy or claim under this Indenture or under any covenant or provision herein contained, all such covenants and provisions being for the sole benefit of the parties hereto and their successors, the holders of the Superior Indebtedness and the Holders of the Securities.

Section 11.3 Successors and Assigns of Issuer Bound by Indenture. All the covenants, stipulations, promises and agreements in this Indenture contained by or on behalf of the Issuer shall bind its successors and assigns, whether so expressed or not.

Section 11.4 Notice and Demands on Issuer, Trustee and Holders of Securities.

(a) Any notice or demand that by any provision of this Indenture is required or permitted to be given or served by the Trustee or by the Holders of Securities to or on the Issuer, or as required pursuant to the Trust Indenture Act of 1939, may be given or served by being deposited postage prepaid, first-class mail (except as otherwise specifically provided herein) addressed (until another address of the Issuer is filed by the Issuer with the Trustee) to Halliburton Company, 3600 Lincoln Plaza, 500 North Akard Street, Dallas, Texas 75201-3391, Attention: Vice President and Secretary. Any notice, direction, request or demand by the Issuer or any Holder of Securities to or upon the Trustee shall be deemed to have been sufficiently given or served by being deposited postage prepaid, first-class mail (except as otherwise specifically provided herein) addressed (until another address of the Trustee is filed by the Trustee with the Issuer) to JPMorgan Chase Bank, 600 Travis, 11th Floor, Houston, Texas 77002. Attention: Vice President, Corporate Trust Department, Taxable Bond Section.

(b) Where this Indenture provides for notice to Holders of Securities, such notice shall be sufficiently given (unless otherwise herein expressly provided) in writing and mailed, first-class postage prepaid, to each Holder entitled thereto, at his last address as it appears in the Security register. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

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

Section 11.5 Officer's Certificates and Opinions of Counsel; Statements to be Contained Therein.

(a) Upon any application or demand by the Issuer to the Trustee to take any action under any of the provisions of this Indenture, or as required pursuant to the Trust Indenture Act of 1939, the Issuer shall furnish to the Trustee an Officers' Certificate stating that all conditions precedent provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent have been complied with, except that in the case of any such application or demand as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or demand, no additional certificate or opinion need be furnished.

(b) Each certificate or opinion provided for in this Indenture (other than a certificate provided pursuant to subsection (d) of Section 4.3) and delivered to the Trustee with respect to compliance with a condition or covenant provided for in this Indenture shall include (i) a statement that the person making such certificate or opinion has read such covenant or condition, (ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based, (iii) a statement that, in the opinion of such person, that has made such examination or investigation as is necessary to enable him to express an opinion as to whether or not such covenant or condition has been complied with, and (iv) a statement as to whether or not, in the opinion of such person, such condition or covenant has been complied with.

(c) Any certificate, statement or opinion of an officer of the Issuer may be based, insofar as it relates to legal matters, upon a certificate or opinion of or representations by counsel, unless such officer knows that the certificate or opinion or representations with respect to the matters upon which his certificate, statement or opinion may be based as aforesaid are erroneous or in the exercise of reasonable care should know that the same are erroneous. Any certificate, statement or opinion of counsel may be based, insofar as it relates to factual matters, information with respect to which is in the possession of the Issuer, upon the certificate, statement or opinion of or representations by an officer or officers of the Issuer, unless such counsel knows that the certificate, statement or opinion or representations with respect to the matters upon which his certificate, statement or opinion may be based as aforesaid are erroneous or in the exercise of reasonable care should know that the same are erroneous.

(d) Any certificate, statement or opinion of an officer of the Issuer or of counsel may be based, insofar as it relates to accounting matters, upon a certificate or opinion of or representations by an accountant or firm of accountants in the employ of the Issuer, unless such officer or counsel, as the case may be, knows that the certificate or opinion or representations with respect to the accounting matters upon which his certificate, statement or

opinion may be based as aforesaid are erroneous or in the exercise of reasonable care should know that the same are erroneous.

(e) Any certificate or opinion of any independent firm of public accountants filed with and directed to the Trustee shall contain a statement that such firm is independent.

Section 11.6 Payments Due on Saturdays, Sundays and Holidays. If the date of maturity of principal or interest, if any, on the Securities of any series or the date fixed for redemption or repayment of any such Security or the last date for conversion of any Security shall not be a Business Day, then payment of interest, if any, or principal need not be made on such date and such conversion need not be made by such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption or repayment or the last date of such conversion, and, in the case of payment, no interest shall accrue for the period after such date.

Section 11.7 Conflict of Any Provision of Indenture with Trust Indenture Act of 1939. If and to the extent that any provision of this Indenture limits, qualifies or conflicts with another provision included in this Indenture that is required to be included herein by any of Sections 310 to 317, inclusive, or is deemed applicable to this Indenture by virtue of the provisions, of the Trust Indenture Act of 1939, such required provision shall control.

Section 11.8 GOVERNING LAW. THIS INDENTURE AND EACH SECURITY SHALL BE DEEMED TO BE A CONTRACT UNDER THE LAWS OF THE STATE OF NEW YORK, AND FOR ALL PURPOSES SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF SUCH STATE, EXCEPT AS MAY OTHERWISE BE REQUIRED BY MANDATORY PROVISIONS OF LAW.

Section 11.9 Counterparts. This Indenture may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

Section 11.10 Effect of Headings. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

## ARTICLE Twelve

### REDEMPTION OF SECURITIES AND SINKING FUNDS

Section 12.1 Applicability of Article. Except as otherwise provided in the applicable Board Resolution, Officers' Certificate or executed supplemental indenture referred to in Sections 2.1 and 2.3 by or pursuant to which the form and terms of the Securities of such series were established, the provisions of this Article shall be applicable to the Securities of any series that are redeemable before their maturity or to any sinking fund for the retirement of Securities of a series.

Section 12.2 Notice of Redemption; Partial Redemptions.

(a) Notice of redemption to the Holders of Securities of any series to be redeemed as a whole or in part at the option of the Issuer shall be given by mailing notice of such redemption by first-class mail, postage prepaid, at least 30 days and not more than 60 days prior to the date fixed for redemption to such Holders of Securities of such series at their last addresses as they shall appear upon the registry books. Any notice that is mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the Holder receives the notice. Failure to give notice by mail, or any defect in the notice, to the Holder of any Security of a series designated for redemption as a whole or in part shall not affect the validity of the proceedings for the redemption of any other Security of such series.

(b) The notice of redemption to each such Holder shall specify the principal amount of each Security of such series held by such Holder to be redeemed, the date fixed for redemption, the redemption price, the place or places of payment, that payment will be made upon presentation and surrender of such Securities, that such redemption is pursuant to the mandatory or optional sinking fund, or both, if such be the case, that interest, if any, accrued to the date fixed for redemption will be paid as specified in such notice and that on and after said date interest, if any, thereon or on the portions thereof to be redeemed will cease to accrue and, if applicable, shall also specify the conversion price then in effect and the date on which the right to convert such Securities or the portions thereof to be redeemed will expire. In case any Security of a series is to be redeemed in part only the notice of redemption shall state the portion of the principal amount thereof to be redeemed and shall state that on and after the date fixed for redemption, upon surrender of such Security, a new Security or Securities of such series in principal amount equal to the unredeemed portion thereof will be issued.

(c) The notice of redemption of Securities of any series to be redeemed at the option of the Issuer shall be given by the Issuer or, at the Issuer's request, by the Trustee in the name and at the expense of the Issuer.

(d) On or before the redemption date specified in the notice of redemption given as provided in this Section 12.2, the Issuer will deposit with the Trustee or with one or more Paying Agents (or, if the Issuer is acting as its own paying agent, set aside, segregate and hold in trust as provided in Section 3.5) an amount of money sufficient to redeem on the redemption date all the Securities of such series so called for redemption (other than those theretofore surrendered for conversion into Common Stock) at the appropriate redemption price, together with accrued interest, if any, to the date fixed for redemption. If any Security called for redemption is converted pursuant hereto, any money deposited with the Trustee or any Paying Agent or so segregated and held in trust for the redemption of such Security shall be paid to the Issuer upon the Issuer's request, or, if then held by the Issuer, shall be discharged from such trust. The Issuer will deliver to the Trustee at least 45 days prior to the date fixed for redemption (unless a shorter notice shall be satisfactory to the Trustee) an Officers' Certificate stating the aggregate principal amount of Securities to be redeemed. In case of a redemption at the election of the Issuer prior to the expiration of any restriction on such redemption, the Issuer shall deliver to the Trustee, prior to the giving of any notice of redemption to Holders pursuant to this Section, an Officers' Certificate stating that such restriction has been complied with.

(e) If less than all the Securities of a series are to be redeemed, the Trustee shall select, in such manner as it shall deem appropriate and fair, Securities of such series to be

redeemed. Securities may be redeemed in part in multiples equal to the minimum authorized denomination for Securities of such series or any multiple thereof. The Trustee shall promptly notify the Issuer in writing of the Securities of such series selected for redemption and, in the case of any Securities of such series selected for partial redemption, the principal amount thereof to be redeemed. For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Securities of any series shall relate, in the case of any Security redeemed or to be redeemed only in part, to the portion of the principal amount of such Security that has been or is to be redeemed. If any Security selected for partial redemption is surrendered for conversion after such selection, the converted portion of such Security shall be deemed (so far as may be) to be the portion selected for redemption. Upon any redemption of less than all the Securities of a series, for purposes of selection for redemption the Issuer and the Trustee may treat as Outstanding any Securities surrendered for conversion during the period of 15 days next preceding the mailing of a notice of redemption, and need not treat as Outstanding any Security authenticated and delivered during such period in exchange for the unconverted portion of any Security converted in part during such period.

#### Section 12.3 Payment of Securities Called for Redemption.

(a) If notice of redemption has been given as above provided, the Securities or portions of Securities specified in such notice shall become due and payable on the date and at the place stated in such notice at the applicable redemption price, together with interest, if any, accrued to the date fixed for redemption, and on and after said date (unless the Issuer shall default in the payment of the redemption price for such Securities, together with interest, if any, accrued to said date) interest on the Securities or portions of Securities so called for redemption shall cease to accrue, and such Securities shall cease from and after the date fixed for redemption (unless an earlier date shall be specified in a Board Resolution, Officers' Certificate or executed supplemental indenture referred to in Sections 2.1 and 2.3 by or pursuant to which the form and terms of the Securities of such series were established) to be convertible into Common Stock and, except as provided in Sections 6.5 and 10.4, to be entitled to any benefit or security under this Indenture, and the Holders thereof shall have no right in respect of such Securities except the right to receive the redemption price thereof and unpaid interest to the date fixed for redemption. On presentation and surrender of such Securities at a place of payment specified in said notice, said Securities or the specified portions thereof shall be paid and redeemed by the Issuer at the applicable redemption price, together with interest, if any, accrued thereon to the date fixed for redemption; provided that payment of interest, if any, becoming due on or prior to the date fixed for redemption shall be payable to the Holders of Securities registered as such on the relevant record date subject to the terms and provisions of Sections 2.3 and 2.7 hereof.

(b) If any Security called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid or duly provided for, bear interest from the date fixed for redemption at the rate of interest or Yield to Maturity (in the case of an Original Issue Discount Security) borne by such Security, and such Security shall remain convertible into Common Stock until the principal of such Security shall have been paid or duly provided for.

(c) Upon presentation of any Security redeemed in part only, the Issuer shall execute and the Trustee shall authenticate and deliver to or on the order of the Holder thereof, at the expense of the Issuer, a new Security or Securities of such series, of authorized

denominations, in principal amount equal to the unredeemed portion of the Security so presented.

Section 12.4 Exclusion of Certain Securities from Eligibility for Selection for Redemption. Securities shall be excluded from eligibility for selection for redemption if they are identified by registration and certificate number in an Officers' Certificate delivered to the Trustee at least 45 days prior to the last date on which notice of redemption may be given as being owned of record and beneficially, and not pledged or hypothecated, by either (a) the Issuer or (b) a Person specifically identified in such written statement as directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer.

Section 12.5 Mandatory and Optional Sinking Funds.

(a) The minimum amount of any sinking fund payment provided for by the terms of the Securities of any series is herein referred to as a "mandatory sinking fund payment," and any payment in excess of such minimum amount provided for by the terms of the Securities of any series is herein referred to as an "optional sinking fund payment." The date on which a sinking fund payment is to be made is herein referred to as the sinking fund payment date.

(b) In lieu of making all or any part of any mandatory sinking fund payment with respect to any series of Securities in cash, the Issuer may at its option:

(i) deliver to the Trustee Securities of such series theretofore purchased or otherwise acquired (except upon redemption pursuant to the mandatory sinking fund) by the Issuer or receive credit for Securities of such series (not previously so credited) theretofore purchased or otherwise acquired (except as aforesaid) by the Issuer and delivered to the Trustee for cancellation pursuant to Section 2.10 and receive credit for Securities (not previously so credited) convertible into Common Stock and so delivered to the Trustee for cancellation;

(ii) receive credit for optional sinking fund payments (not previously so credited) made pursuant to this Section 12.5, or

(iii) receive credit for Securities of such series (not previously so credited) redeemed by the Issuer through any optional redemption provision contained in the terms of such series.

Securities so delivered or credited shall be received or credited by the Trustee at the sinking fund redemption price specified in such Securities.

(c) On or before the 60th day next preceding each sinking fund payment date for any series, the Issuer will deliver to the Trustee an Officers' Certificate

(i) specifying the portion of the mandatory sinking fund payment to be satisfied by payment of cash and the portion to be satisfied by credit of Securities of such series and the basis for such credit;

(ii) stating that none of the Securities of such series to be so credited has theretofore been so credited;

(iii) stating that no defaults in the payment of interest or Events of Default with respect to such series have occurred (which have not been waived or cured or otherwise ceased to exist) and are continuing; and

(iv) stating whether or not the Issuer intends to exercise its right to make an optional sinking fund payment with respect to such series and, if so, specifying the amount of such optional sinking fund payment which the Issuer intends to pay on or before the next succeeding sinking fund payment date.

Any Securities of such series to be credited and required to be delivered to the Trustee in order for the Issuer to be entitled to credit therefor as aforesaid that have not theretofore been delivered to the Trustee shall be delivered for cancellation pursuant to Section 2.10 to the Trustee with such Officers' Certificate (or reasonably promptly thereafter if acceptable to the Trustee). Such Officers' Certificate shall be irrevocable and upon its receipt by the Trustee the Issuer shall become unconditionally obligated to make all the cash payments or payments therein referred to, if any, on or before the next succeeding sinking fund payment date. Failure of the Issuer, on or before any such 60th day, to deliver such Officers' Certificate and Securities (subject to the parenthetical clause in the second preceding sentence) specified in this subsection, if any, shall not constitute a default but shall constitute, on and as of such date, the irrevocable election of the Issuer (1) that the mandatory sinking fund payment for such series due on the next succeeding sinking fund payment date shall be paid entirely in cash without the option to deliver or credit Securities of such series in respect thereof, and (2) that the Issuer will make no optional sinking fund payment with respect to such series as provided in this Section 12.5.

(d) If the sinking fund payment or payments (mandatory or optional or both) to be made in cash on the next succeeding sinking fund payment date plus any unused balance of any preceding sinking fund payments made in cash shall exceed \$50,000 or a lesser sum if the Issuer shall so request with respect to the Securities of any particular series, such cash shall be applied on the next succeeding sinking fund payment date to the redemption of Securities of such series at the sinking fund redemption price, together with accrued interest, if any, to the date fixed for redemption. If such amount shall be \$50,000 or less and the Issuer makes no such request, then it shall be carried over until a sum in excess of \$50,000 is available. The Trustee shall select, in the manner provided in Section 12.2, for redemption on such sinking fund payment date a sufficient principal amount of Securities of such series to absorb said cash, as nearly as may be, and shall (if requested in writing by the Issuer) inform the Issuer of the serial numbers of the Securities of such series (or portions thereof) so selected. The Trustee, in the name and at the expense of the Issuer (or the Issuer, if it shall so request the Trustee in writing) shall cause notice of redemption of the Securities of such series to be given in substantially the manner provided in Section 12.2 (and with the effect provided in Section 12.3) for the redemption of Securities of such series in part at the option of the Issuer. The amount of any sinking fund payments not so applied or allocated to the redemption of Securities of such series shall be added to the next cash sinking fund payment for such series and, together with such payment, shall be applied in accordance with the provisions of this Section 12.5. Any and all sinking fund moneys held on the stated maturity date of the Securities of any particular series (or

earlier, if such maturity is accelerated), that are not held for the payment or redemption of particular Securities of such series shall be applied, together with other moneys, if necessary, sufficient for the purpose, to the payment of the principal of, and interest, if any, on, the Securities of such series at maturity.

(e) The Issuer's obligation to make a mandatory or optional sinking fund payment shall automatically be reduced by an amount equal to the sinking fund redemption price allocable to any Securities or portions thereof called for redemption pursuant to the preceding paragraph on any sinking fund payment date and converted into Common Stock; provided, that, if the Trustee is not the conversion agent for the Securities, the Issuer or such conversion agent shall give the Trustee written notice prior to the date fixed for redemption of the principal amount of Securities or portions thereof so converted.

(f) On or before each sinking fund payment date, the Issuer shall pay to the Trustee in cash or shall otherwise provide for the payment of all interest, if any, accrued to the date fixed for redemption on Securities to be redeemed on the next following sinking fund payment date.

(g) The Trustee shall not redeem or cause to be redeemed any Securities of a series with sinking fund moneys or give any notice of redemption of Securities for such series by operation of the sinking fund during the continuance of a default in payment of interest on such Securities or of any Event of Default except that, where the giving of notice of redemption of any Securities shall theretofore have been made, the Trustee shall redeem or cause to be redeemed such Securities; provided, that it shall have received from the Issuer a sum sufficient for such redemption. Except as aforesaid, any moneys in the sinking fund for such series at the time when any such default or Event of Default shall occur, and any moneys thereafter paid into the sinking fund, shall, during the continuance of such default or Event of Default, be deemed to have been collected under Article Five and held for the payment of all such Securities. In case such Event of Default shall have been waived as provided in Section 5.7 or the default cured on or before the 60th day preceding the sinking fund payment date in any year, such moneys shall thereafter be applied on the next succeeding sinking fund payment date in accordance with this Section 12.5 to the redemption of such Securities.

#### ARTICLE THIRTEEN

##### CONVERSION OF SECURITIES

Section 13.1 Applicability of Article. The provisions of this Article shall be applicable to the Securities of any series that are convertible into Common Stock or, if so provided in a Board Resolution, Officers' Certificate or executed supplemental indenture referred to in Sections 2.1 and 2.3 by or pursuant to which the form and terms of the Securities of such series were established, cash in lieu thereof, as provided by the terms of the Securities of such series.

Section 13.2 Exercise of Conversion Privilege. In order to exercise the conversion privilege, the Holder of any Security to be converted shall surrender such Security to the Conversion Agent at any time during usual business hours at its office or agency maintained for the purpose as provided in this Indenture, accompanied by a fully executed written notice, in

substantially the form set forth on the reverse of the Security, that the Holder elects to convert such Security or a stated portion thereof constituting a multiple of \$1000 in principal amount, and, if such Security is surrendered for conversion during the period between the close of business on any record date for such Security and the opening of business on the related interest payment date and has not been called for redemption on a redemption date within such period (or on such interest payment date), accompanied also by payment of an amount equal to the interest payable on such interest payment date on the portion of the principal amount of the Security being surrendered for conversion. Such notice shall also state the name or names (and address) in which the certificate or certificates for shares of Common Stock shall be issued (or to whom payment in cash in lieu of Common Stock shall be made). Securities surrendered for conversion shall (if so required by the Issuer or the Conversion Agent) be duly endorsed by, or be accompanied by a written instrument or instruments of transfer in form satisfactory to the Issuer and the Conversion Agent duly executed by the Holder or his attorney duly authorized in writing. As promptly as practicable after the receipt of such notice and the surrender of such Security, as aforesaid, the Issuer shall, subject to the provisions of Section 13.7, issue and deliver at such office or agency to such Holder, or on his written order, a certificate or certificates for the number of full shares of Common Stock issuable on conversion of such Security in accordance with the provisions of such Security and cash, as provided in Section 13.3, in respect of any fraction of a share of Common Stock otherwise issuable upon such conversion or, if so provided in a Board Resolution, Officers' Certificate or executed supplemental indenture referred to in Sections 2.1 and 2.3 by or pursuant to which the form and terms of the Securities of such series were established, cash in lieu of shares of Common Stock. Such conversion shall be at the Conversion Price in effect, and shall be deemed to have been effected, immediately prior to the close of business on the date (herein called the "Date of Conversion") on which such notice in proper form shall have been received by the Conversion Agent and such Security shall have been surrendered as aforesaid, and the Person or Persons in whose name or names any certificate or certificates for shares of Common Stock shall be issuable, if any, upon such conversion shall be deemed to have become on the Date of Conversion the holder or holders of record of the shares represented thereby; provided, however, that any such surrender on any date when the stock transfer books of the Issuer shall be closed shall constitute the Person or Persons in whose name or names the certificate or certificates for such shares are to be issued, if any, as the recordholder or holders thereof for all purposes at the opening of business on the next succeeding day on which such stock transfer books are open but such conversion shall nevertheless be at the Conversion Price in effect at the close of business on the date when such Security shall have been so surrendered with the conversion notice in proper form. In the case of conversion of a portion, but less than all, of a Security, the Issuer shall execute, and the Trustee shall authenticate and deliver to the Holder thereof, at the expense of the Issuer, a Security or Securities in the aggregate principal amount of the unconverted portion of the Security surrendered. Except as otherwise expressly provided in this Indenture, no payment or adjustment shall be made for interest accrued on any Security (or portion thereof) converted or for dividends or distributions on any Common Stock issued upon conversion of any Security. The right, if any, of a Holder of any Security to cause the Issuer to redeem, purchase or repay such Security shall terminate upon receipt by the Issuer of any notice of conversion of such Security.

Section 13.3 Fractional Interests. No fractions of shares or scrip representing fractions of shares shall be issued upon conversion of Securities. If more than one Security shall be surrendered for conversion at one time by the same Holder, the number of full shares that shall

be issuable upon conversion thereof shall be computed on the basis of the aggregate principal amount of the Securities so surrendered. If any fraction of a share of Common Stock would, except for the provisions of this Section 13.3, be issuable on the conversion of any Security or Securities, the Issuer shall make payment in lieu thereof in cash equal to the value of such fraction computed on the basis of the Last Sale Price of one share of Common Stock on the most recent Trading Day prior to the Date of Conversion, "Last Sale Price" on any Trading Day shall mean:

(a) the closing price regular way (or, if no closing price is reported, the average of the bid and asked prices) as reported on the New York Stock Exchange Composite Tape, or

(b) if on such Trading Day the Common Stock is not listed or admitted to trading on such exchange, the closing price regular way (or, if no closing price is reported, the average of the bid and asked prices) on the principal national securities exchange on which the Common Stock is listed or admitted to trading, or

(c) if not listed or admitted to trading on any national securities exchange on such Trading Day then the average of the closing bid and asked prices as reported through the National Association of Securities Dealers, Inc. on its NASDAQ National Market System or NASDAQ System or a similar organization if NASDAQ is no longer reporting information, or

(d) if the Common Stock is not listed or admitted to trading on any national securities exchange or quoted on such National Market System or NASDAQ System on such Trading Day, then the average of the closing bid and asked prices in the over-the-counter market as furnished by any New York Stock Exchange member firm selected from time to time by the Issuer for that purpose, or

(e) if not quoted by any such organization on such Trading Day, the fair value of such Common Stock on such Trading Day, as determined by the Board of Directors.

The term "Trading Day" shall mean each Monday, Tuesday, Wednesday, Thursday and Friday, other than any day on which securities are not traded on any of the above mentioned exchanges or in such markets.

Section 13.4 Adjustment of Conversion Price. The conversion price (herein called the "Conversion Price") for a series of Securities shall be as set forth in a Board Resolution, Officers' Certificate or executed supplemental indenture referred to in Sections 2.1 and 2.3 by or pursuant to which the form and terms of the Securities of such series were established, and shall be subject to adjustment from time to time as follows:

(a) In case the Issuer shall:

(i) pay a dividend or make a distribution in shares of Common Stock on the Common Stock,

(ii) subdivide its outstanding shares of Common Stock into a greater number of shares,

(iii) combine its outstanding shares of Common Stock into a smaller number of shares, or

(iv) issue by reclassification of its Common Stock any shares of capital stock of the Issuer,

the Conversion Price in effect immediately prior to such action shall be adjusted so that the Holder of any Security thereafter surrendered for conversion shall be entitled to receive the number of shares of Common Stock or other capital stock of the Issuer that he would have owned immediately following such action had such Security been converted immediately prior thereto. An adjustment made pursuant to this subsection (a) shall become effective immediately, except as provided in subsection (e) below, after the record date in the case of a dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or reclassification. If as a result of an adjustment made pursuant to this subsection (a), the Holder of any Security thereafter surrendered for conversion shall become entitled to receive shares of two or more classes of capital stock (including shares of Common Stock and other capital stock) of the Issuer, the Board of Directors (whose determination shall be conclusive and shall be described in a statement filed with the Trustee) shall determine the allocation of the adjusted Conversion Price between or among shares of such classes of capital stock or shares of Common Stock and other capital stock.

(b) In case the Issuer shall issue rights or warrants to all holders of Common Stock entitling them (for a period not exceeding 45 days from the date of such issuance) to subscribe for or purchase shares of Common Stock at a price per share less than the current market price per share (as determined pursuant to subsection (d) below) of the Common Stock on the record date mentioned below, the Conversion Price shall be adjusted to a price, computed to the nearest cent, so that the same shall equal the price determined by multiplying the Conversion Price in effect immediately prior to the date of issuance of such rights or warrants by a fraction, of which

(i) the numerator shall be (1) the number of shares of Common Stock outstanding on the date of issuance of such rights or warrants, immediately prior to such issuance, plus (2) the number of shares that the aggregate offering price of the total number of shares so offered for subscription or purchase would purchase at such current market price (determined by multiplying such total number of shares by the exercise price of such rights or warrants and dividing the product so obtained by such current market price), and

(ii) the denominator shall be (1) the number of shares of Common Stock outstanding on the date of issuance of such rights or warrants, immediately prior to such issuance, plus (2) the number of additional shares of Common Stock that are so offered for subscription or purchase.

Such adjustment shall become effective immediately, except as provided in subsection (e) below, after the record date for the determination of holders entitled to receive such rights or warrants.

(c) In case the Issuer shall distribute to substantially all holders of Common Stock evidences of indebtedness, equity securities (including equity interests in the Issuer's

Subsidiaries) other than Common Stock or other assets (other than cash dividends paid out of surplus of the Issuer) or shall distribute to substantially all holders of Common Stock rights or warrants to subscribe for securities (other than those referred to in subsection (b) above), then in each such case the Conversion Price shall be adjusted so that the same shall equal the price determined by multiplying the Conversion Price in effect immediately prior to the date of such distribution by a fraction of which the numerator shall be the current market price per share (determined as provided in subsection (d) below) of the Common Stock on the record date mentioned below less the then fair market value (as determined by the Board of Directors, whose determination shall, if made in good faith, be conclusive evidence of such fair market value) of the portion of the assets so distributed or of such subscription rights or warrants applicable to one share of Common Stock, and of which the denominator shall be such current market price per share of the Common Stock. Such adjustment shall become effective immediately, except as provided in subsection (e) below, after the record date for the determination of stockholders entitled to receive such distribution.

(d) For the purpose of any computation under subsections (b) and (c) above, the current market price per share of Common Stock on any date shall be deemed to be the average of the Last Sale Prices for the 30 consecutive Trading Days commencing 45 Trading Days before the date in question.

(e) In any case in which this Section 13.4 shall require that an adjustment be made immediately following a record date, the Issuer may elect to defer the effectiveness of such adjustment (but in no event until a date later than the effective time of the event giving rise to such adjustment), in which case the Issuer shall, with respect to any Security converted after such record date and before such adjustment shall have become effective:

(i) defer paying any cash payment pursuant to Section 13.3 or issuing to the Holder of such Security the number of shares of Common Stock and other capital stock of the Issuer issuable upon such conversion in excess of the number of shares of Common Stock and other capital stock of the Issuer issuable thereupon only on the basis of the Conversion Price prior to adjustment, and

(ii) not later than five Business Days after such adjustment shall have become effective, pay to such Holder the appropriate cash payment pursuant to Section 13.3 and issue to such Holder the additional shares of Common Stock and other capital stock of the Issuer issuable on such conversion.

(f) No adjustment in the Conversion Price shall be required unless such adjustment would require an increase or decrease of at least 1% of the Conversion Price, provided, that any adjustments that by reason of this subsection (f) are not required to be made shall be carried forward and taken into account in any subsequent adjustment and, provided, further, that adjustment shall be required and made in accordance with the provisions of this Article Thirteen (other than this subsection (f)) not later than such time as may be required in order to preserve the tax-free nature of a distribution to the holders of Securities or Common Stock. All calculations under this Article Thirteen shall be made to the nearest cent or to the nearest one-hundredth of a share, as the case may be.

(g) Whenever the Conversion Price is adjusted as herein provided, the Issuer shall promptly:

(i) file with the Trustee and each conversion agent an Officers' Certificate setting forth the Conversion Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment, which certificate shall be conclusive evidence of the correctness of such adjustment, and

(ii) mail or cause to be mailed a notice of such adjustment to each Holder of Securities at his address as the same appears on either the registry books of the Issuer or in the filings described in Section 4.1.

(h) Anything in this Section 13.4 to the contrary notwithstanding, the Issuer shall be entitled to make such reductions in the Conversion Price, in addition to those required by this Section 13.4, as it in its discretion shall determine to be advisable in order that any stock dividend, subdivision of shares, distribution of rights or warrants to purchase stock or securities or distribution of other assets (other than cash dividends) hereafter made by the Issuer to its stockholders shall not be taxable.

Section 13.5 Continuation of Conversion Privilege in case of Merger, Consolidation or Sale of Assets.

(a) If any of the following shall occur, namely:

(i) any consolidation or merger of the Issuer as a result of which the holders of Common Stock shall be entitled to receive stock, other securities or other assets (including cash) with respect to or in exchange for Common Stock; or

(ii) a sale or conveyance of all or substantially all of the property or business of the Issuer as an entirety;

then the Issuer, or such successor or purchasing corporation, as the case may be, shall, as a condition precedent to such consolidation, merger, sale or conveyance, execute and deliver to the Trustee a supplemental indenture (which shall conform to the Trust Indenture Act of 1939 as in force at the date of the execution thereof) providing that the Holder of each convertible Security then Outstanding shall have the right to convert such Security into the kind and amount of shares of stock and other securities and property (including cash) receivable upon such consolidation, merger, sale or conveyance by a holder of the number of shares of Common Stock issuable upon conversion of such Security immediately prior to such reclassification, change, consolidation, merger, sale or conveyance. Such supplemental indenture shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Article Thirteen. If, in the case of any such consolidation, merger, sale or conveyance, the stock or other securities and property (including cash) receivable thereupon by a holder of shares of Common Stock includes shares of stock or other securities and property (including cash) of a corporation other than the successor or purchasing corporation, as the case may be, in such consolidation, merger, sale or conveyance, then such supplemental indenture shall also be executed by such other corporation and shall contain such additional provisions to protect the interests of the Holders of the Securities as the Board of Directors shall reasonably consider necessary by reason

of the foregoing. The provisions of this Section 13.5 shall similarly apply to successive consolidations, mergers, sales or conveyances.

(b) Notice of the execution of each such supplemental indenture shall be mailed to each Holder of Securities at his address as the same appears on the registry books of the Issuer.

(c) Neither the Trustee nor any Conversion Agent shall be under any responsibility to determine the correctness of any provisions contained in any such supplemental indenture relating either to the kind or amount of shares of stock or securities or property (including cash) receivable by Holders of Securities upon the conversion of their Securities after any such consolidation, merger, sale or conveyance or to any adjustment to be made with respect thereto, but, subject to the provisions of Sections 6.1 and 6.2, may accept as conclusive evidence of the correctness of any such provisions, and shall be protected in relying upon, the Officer's Certificate (which the Issuer shall be obligated to file with the Trustee prior to the execution of any such supplemental indenture with respect thereto).

Section 13.6 Notice of Certain Events. If:

(a) the Issuer shall declare a dividend (or any other distribution) payable to the holders of Common Stock otherwise than in cash; or

(b) the Issuer shall authorize the granting to the holders of Common Stock of rights to subscribe for or purchase any shares of stock of any class or of any other rights; or

(c) the Issuer shall authorize any reclassification or change of the Common Stock (other than a subdivision or combination of its outstanding shares of Common Stock) or any consolidation or merger to which the Issuer is a party and for which approval of any stockholders of the Issuer is required or the sale or conveyance of all or substantially all the property or business of the Issuer; or

(d) there shall be authorized or ordered any voluntary or involuntary dissolution, liquidation or winding-up of the Issuer;

then the Issuer shall cause to be filed at the office or agency maintained for the purpose of conversion of the Securities as provided in Section 3.2, and shall cause to be mailed to each Holder of Securities, at his address as it shall appear on the registry books of the Issuer, at least 20 days before the date hereinafter specified (or the earlier of the dates hereinafter specified if more than one date is specified) a notice stating the date on which (i) a record is expected to be taken for the purpose of such dividend or distribution of rights, or if a record is not to be taken, the date as of which the holders of Common Stock of record to be entitled to such dividend or distribution of rights are to be determined or (ii) such reclassification, change, consolidation, merger, sale, conveyance, dissolution, liquidation or winding-up is expected to become effective and the date, if any is to be fixed, as of which it is expected that holders of Common Stock of record shall be entitled to exchange their shares of Common Stock for securities or other property deliverable upon such reclassification, change, consolidation, merger, sale, conveyance, dissolution, liquidation or winding-up.

Section 13.7 Taxes on Conversion. The Issuer will pay any and all documentary, stamp or similar taxes payable to the United States of America or any political subdivision or taxing authority thereof or therein in respect of the issue or delivery of shares of Common Stock on conversion of Securities pursuant thereto; provided, however, that the Issuer shall not be required to pay any tax which may be payable in respect of any transfer involved in the issue or delivery of shares of Common Stock in a name other than that of the Holder of the Securities to be converted (or payment of cash in lieu thereof to a Person other than such Holder) and no such issue or delivery (or payment) shall be made unless and until the Person requesting such issue or delivery (or payment) has paid to the Issuer the amount of any such tax or has established, to the satisfaction of the Issuer, that such tax has been paid. The Issuer extends no protection with respect to any other taxes imposed in connection with conversion of Securities.

Section 13.8 Issuer to Provide Stock.

(a) The Issuer shall reserve, free from preemptive rights, out of its authorized but unissued shares, sufficient shares to provide for the conversion of convertible Securities from time to time as such Securities are presented for conversion; provided, however, that nothing contained herein shall be construed to preclude the Issuer from satisfying its obligations in respect of the conversion of Securities by delivery of repurchased shares of Common Stock that are held in the treasury of the Issuer.

(b) If any shares of Common Stock to be reserved for the purpose of conversion of Securities hereunder require registration with or approval of any governmental authority under any federal or state law before such shares may be validly issued or delivered upon conversion, then the Issuer covenants that it will in good faith and as expeditiously as possible endeavor to secure such registration or approval, as the case may be; provided, however, that nothing in this Section 13.8 shall be deemed to affect in any way the obligations of the Issuer to convert Securities into Common Stock as provided in this Article Thirteen.

(c) Before taking any action that would cause an adjustment reducing the Conversion Price below the then par value, if any, of the Common Stock, the Issuer will take all corporate action that may, in the opinion of counsel, be necessary in order that the Issuer may validly and legally issue fully paid and non-assessable shares of Common Stock at such adjusted Conversion Price.

(d) The Issuer covenants that all shares of Common Stock that may be issued upon conversion of Securities will upon issue be fully paid and non-assessable by the Issuer and free of preemptive rights.

Section 13.9 Disclaimer of Responsibility for Certain Matters. Neither the Trustee, the Conversion Agent nor any agent of either shall at any time be under any duty or responsibility to any Holder of Securities to determine whether any facts exist that may require any adjustment of the Conversion Price or with respect to the Officers Certificate referred to in Section 13.4(g) or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed, or herein or in any supplemental indenture provided to be employed, in making the same. Neither the Trustee, the Conversion Agent nor any agent of either shall be accountable with respect to the validity or value (or the kind or amount) of any shares of

Common Stock or of any securities or property (including cash) that may at any time be issued or delivered upon the conversion of any Security; and neither the Trustee, the Conversion Agent nor any agent of either makes any representation with respect thereto. Neither the Trustee, the Conversion Agent nor any agent of either shall be responsible for any failure of the Issuer to issue, register the transfer of or deliver any shares of Common Stock or stock certificates or other securities or property (including cash) upon the surrender of any Security for the purpose of conversion or, subject to Sections 6.1 and 6.2, to comply with any of the covenants of the Issuer contained in this Article Thirteen.

Section 13.10 Return of Funds Deposited for Redemption of Converted Securities. Any funds that at any time shall have been deposited by the Issuer or on its behalf with the Trustee or any Paying Agent for the purpose of paying the principal of and interest, if any, on any of the Securities and that shall not be required for such purposes because of the conversion of such Securities, as provided in this Article Thirteen, shall after such conversion be repaid to the Issuer by the Trustee or such Paying Agent.

#### ARTICLE Fourteen

##### SUBORDINATION

#### Section 14.1 Securities Subordinated to Superior Indebtedness.

(a) The Issuer covenants and agrees that anything in this Indenture or the Securities of any series to the contrary notwithstanding, the indebtedness evidenced by the Securities of each series is subordinate and junior in right of payment to all Superior Indebtedness to the extent provided herein, and each Holder of Securities of each series, by his acceptance thereof, likewise covenants and agrees to the subordination herein provided and shall be bound by the provisions hereof.

(b) Subject to Section 14.4, if the Issuer shall default in the payment of any principal of or interest on any Superior Indebtedness when the same becomes due and payable, whether at maturity or at a date fixed for prepayment or by declaration of acceleration or otherwise, then, upon written notice of such default to the Issuer by the holders of Superior Indebtedness or any trustee therefor, unless and until such default shall have been cured or waived or shall have ceased to exist, no direct or indirect payment (in cash, property, securities, by set-off or otherwise) shall be made or agreed to be made on account of the principal of or interest on any of the Securities or in respect of any redemption, retirement, purchase or other acquisition of any of the Securities other than those made in capital stock of the Company (or cash in lieu of fractional shares thereof) pursuant to Article Thirteen or otherwise made in capital stock of the Company (or cash in lieu of fractional shares thereof).

(c) If (i) without the consent of the Issuer a court having jurisdiction shall enter an order for relief with respect to the Issuer under the Bankruptcy Code or without the consent of the Issuer a court having jurisdiction shall enter a judgment, order or decree adjudging the Issuer bankrupt or insolvent or enter an order for relief for reorganization, arrangement, adjustment or composition of or in respect of the Issuer under the Bankruptcy Code or applicable state insolvency law or (ii) the Issuer shall institute proceedings for entry of an order for relief

with respect to the Issuer under the Bankruptcy Code or for an adjudication of insolvency or shall consent to the institution of bankruptcy or insolvency proceedings against it or shall file a petition seeking or seek or consent to reorganization, arrangement, composition or relief under the Bankruptcy Code or any applicable state law or shall consent to the filing of such petition or to the appointment of a receiver, custodian, liquidator, assignee, trustee, sequestrator or similar official (other than a custodian pursuant to 8 Delaware Code ss.226 or any similar statute under other state laws) of the Issuer or of substantially all of its property or the Issuer shall make a general assignment for the benefit of creditors as recognized under the Bankruptcy Code, then all Superior Indebtedness (including any interest thereon accruing after the commencement of any such proceedings) shall first be paid in full before any payment or distribution, whether in cash, securities or other property, shall be made to any Holder of any Securities on account thereof. Any payment or distribution, whether in cash, securities or other property (other than securities of the Issuer or any other corporation provided for by a plan of reorganization or readjustment the payment of which is subordinate, at least to the extent provided in these subordination provisions with respect to the indebtedness evidenced by the Securities, to the payment of all Superior Indebtedness then outstanding and to any securities issued in respect thereof under any such plan of reorganization or readjustment) that would otherwise (but for these subordination provisions) be payable or deliverable in respect of the Securities of any series shall be paid or delivered directly to the holders of Superior Indebtedness in accordance with the priorities then existing among such holders until all Superior Indebtedness including any interest thereon accruing after the commencement of any such proceedings shall have been paid in full. In the event of any such proceeding, after payment in full of all sums owing with respect to Superior Indebtedness, the Holders of the Securities, together with the holders of any obligations of the Issuer ranking on a parity with the Securities, shall be entitled to be paid from the remaining assets of the Issuer the amounts at the time due and owing on account of unpaid principal of and interest, if any, on the Securities and such other obligations before any payment or other distribution, whether in cash, property or otherwise, shall be made on account of any capital stock or any obligations of the Issuer ranking junior to the securities and such other obligations.

(d) If, notwithstanding the foregoing, any payment or distribution of any character, whether in cash, securities or other property (other than securities of the Issuer or any other corporation provided for by a plan of reorganization or readjustment the payment of which is subordinate, at least to the extent provided in these subordination provisions with respect to the indebtedness evidenced by the Securities, to the payment of all Superior Indebtedness then outstanding and to any securities issued in respect thereof under any such plan of reorganization or readjustment), shall be received by the Trustee or any Holder in contravention of any of the terms hereof, such payment or distribution or security shall be received in trust for the benefit of, and shall be paid over or delivered and transferred to, the holders of the Superior Indebtedness then outstanding in accordance with the priorities then existing among such holders for application to the payment of all Superior Indebtedness remaining unpaid, to the extent necessary to pay all such Superior Indebtedness in full. In the event of the failure of the Trustee or any Holder to endorse or assign any such payment, distribution or security, each holder of Superior Indebtedness is hereby irrevocably authorized to endorse or assign the same.

(e) No present or future holder of any Superior Indebtedness shall be prejudiced in the right to enforce subordination of the indebtedness evidenced by the Securities by any act or failure to act on the part of the Issuer. Nothing contained herein shall impair, as

between the Issuer and the Holders of Securities of each series, the obligation of the Issuer to pay to such Holders the principal of and interest, if any, on such Securities or prevent the Trustee or the Holder from exercising all rights, powers and remedies otherwise permitted by applicable law or hereunder upon a default or Event of Default hereunder, all subject to the rights of the holders of the Superior Indebtedness to receive cash, securities or other property otherwise payable or deliverable to the Holders.

(f) Superior Indebtedness shall not be deemed to have been paid in full unless the holders thereof shall have received cash, securities or other property equal to the amount of such Superior Indebtedness then outstanding. Upon the payment in full of all Superior Indebtedness, the Holders of Securities of each series shall be subrogated to all rights of any holders of Superior Indebtedness to receive any further payments or distributions applicable to the Superior Indebtedness until the indebtedness evidenced by the Securities of such series shall have been paid in full, and such payments or distributions received by such Holders, by reason of such subrogation, of cash, securities or other property that otherwise would be paid or distributed to the holders of Superior Indebtedness, shall, as between the Issuer and its creditors other than the holders of Superior Indebtedness, on the one hand, and such Holders, on the other hand, be deemed to be a payment by the Issuer on account of Superior Indebtedness, and not on account of the Securities of such series.

(g) The provisions of this Section 14.1 shall not impair any rights, interests, remedies or powers of any secured creditor of the Issuer in respect of any security interest the creation of which is not prohibited by the provisions of this Indenture.

(h) The securing of any obligations of the Issuer otherwise ranking on a parity with the Securities or ranking junior to the Securities shall not be deemed to prevent such obligations from constituting, respectively, obligations ranking on a parity with the Securities or ranking junior to the Securities.

Section 14.2 Reliance on Certificate of Liquidating Agent; Further Evidence as to Ownership of Superior Indebtedness. Upon any payment or distribution of assets of the Issuer, the Trustee and the Holders shall be entitled to rely upon an order or decree issued by any court of competent jurisdiction in which such dissolution or winding up or liquidation or reorganization or arrangement proceedings are pending or upon a certificate of the trustee in bankruptcy, receiver, assignee for the benefit of creditors or other Person making such payment or distribution, delivered to the Trustee or to the Holders, for the purpose of ascertaining the Persons entitled to participate in such distribution, the holders of the Superior Indebtedness and other indebtedness of the Issuer, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article Fourteen. In the absence of any such bankruptcy trustee, receiver, assignee or other Person, the Trustee shall be entitled to rely upon a written notice by a Person representing himself to be a holder of Superior Indebtedness (or a trustee or representative on behalf of such holder) as evidence that such Person is a holder of Superior Indebtedness (or is such a trustee or representative). If the Trustee determines, in good faith, that further evidence is required with respect to the right of any Person as a holder of Superior Indebtedness to participate in any payment or distributions pursuant to this Article Fourteen, the Trustee may request such Person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of Superior Indebtedness held by such Person, as to

the extent to which such Person is entitled to participate in such payment or distribution and as to other facts pertinent to the rights of such Person under this Article Fourteen, and if such evidence is not furnished, the Trustee may defer any payment to such Person pending judicial determination as to the right of such Person to receive such payment.

Section 14.3 Payment Permitted If No Default. Nothing contained in this Article Fourteen or elsewhere in this Indenture or in any of the Securities shall prevent (a) the Issuer at any time, except during the pendency of any default in the payment of any principal of or interest on any Superior Indebtedness as described in Section 14.1 or of any of the events described in subsections (a) and (b) of Section 14.1, from making payments of the principal of or interest, if any, on the Securities, or (b) the application by the Trustee or any Paying Agent of any moneys deposited with it hereunder to payments of the principal of or interest, if any, on the Securities, if, at the time of such deposit, the Trustee or such paying agent, as the case may be, did not have the written notice provided for in Section 11.5 of any event prohibiting the making of such deposit or if, at the time of such deposit (whether or not in trust) by the Issuer with the Trustee or Paying Agent (other than the Issuer), such payment would not have been prohibited by the provisions of this Article Fourteen, and the Trustee or any Paying Agent shall not be affected by any notice to the contrary received by it on or after such date.

Section 14.4 Disputes with Holders of Certain Superior Indebtedness. Any failure by the Issuer to make any payment on or under any Superior Indebtedness, other than any Superior Indebtedness as to which the provisions of this Section 14.4 shall have been waived by the Issuer in the instrument or instruments by which the Issuer incurred, assumed, guaranteed or otherwise created such Superior Indebtedness, shall not be deemed a default under Section 14.1 if (i) the Issuer shall be disputing its obligation to make such payment or perform such obligation and (ii) either (1) no final judgment relating to such dispute shall have been issued against the Issuer that is in full force and effect and is not subject to further review, including a judgment that has become final by reason of the expiration of the time within which a party may seek further appeal or review, or (2) if a judgment that is subject to further review or appeal has been issued, the Issuer shall in good faith be prosecuting an appeal or other proceeding for review and a stay of execution shall have been obtained pending such appeal or review.

Section 14.5 Trustee Not Charged with Knowledge of Prohibition. Anything in this Article Fourteen or elsewhere in this Indenture contained to the contrary notwithstanding, the Trustee shall not at any time be charged with knowledge of the existence of any facts that would prohibit the making of any payment of money to or by the Trustee and shall be entitled to assume conclusively that no such facts exist and that no event specified in Section 14.1 has happened, until the Trustee shall have received an Officers' Certificate to that effect or notice in writing to that effect signed by or on behalf of the holder or holders, or their representatives, of Superior Indebtedness who shall have been certified by the Issuer or otherwise established to the reasonable satisfaction of the Trustee to be such holder or holders or representatives or from any trustee under any indenture pursuant to which such Superior Indebtedness shall be outstanding; provided, however, that, if the Trustee shall not have received the Officers' Certificate or notice provided for in this Section 14.5 prior to the third Business Day preceding:

(a) the date upon which by the terms hereof any money becomes payable (including the payment of either the principal of or interest, if any, on any Security); or

(b) the date of delivery of documents to, or deposit of funds with, the Trustee pursuant to Section 10.1 relating to the satisfaction and discharge of this Indenture,

then, anything herein contained to the contrary notwithstanding, the Trustee or such Paying Agent shall have full power and authority to receive such money and apply the same to the purpose for which it was received and to execute the instruments acknowledging satisfaction and discharge of this Indenture and the Trustee shall not be affected by any notice to the contrary that may be received by it on or after such date. The Issuer shall give prompt written notice to the Trustee and to the Paying Agent of any facts that would prohibit the payment of money to or by the Trustee or any Paying Agent and the Trustee shall not be charged with knowledge of the curing of any default or the elimination of any other fact or condition preventing such payment or distribution unless and until the Trustee shall have received an Officers' Certificate to such effect.

Section 14.6 Trustee to Effectuate Subordination. Each Holder of Securities by his acceptance thereof authorizes and directs the Trustee on his behalf to take such action as may be necessary or appropriate to effectuate the subordination as between such Holder and holders of Superior Indebtedness as provided in this Article Fourteen and appoints the Trustee its attorney-in-fact for any and all such purposes.

Section 14.7 Rights of Trustee as Holder of Superior Indebtedness. The Trustee shall be entitled to all the rights set forth in this Article Fourteen with respect to any Superior Indebtedness that may at the time be held by it to the same extent as any other holder of Superior Indebtedness, and nothing in this Indenture shall deprive the Trustee of any of its rights as such holder. Nothing in this Article Fourteen shall apply to claims of, or payments to, the Trustee under or pursuant to Section 6.6.

Section 14.8 Article Applicable to Paying Agents. In case at any time any Paying Agent other than the Trustee shall have been appointed by the Issuer and shall then be acting hereunder, the term "Trustee" as used in this Article Fourteen shall in such case (unless the context shall otherwise require) be construed as extending to and including such Paying Agent within its meaning as fully for all intents and purposes as if the Paying Agent were named in this Article Fourteen in addition to or in place of the Trustee; provided, however, that Sections 14.5 and 14.7 shall not apply to the Issuer if it acts as Paying Agent.

Section 14.9 Subordination Rights Not Impaired by Acts or Omissions of the Issuer or Holders of Superior Indebtedness. No right of any present or future holders of any Superior Indebtedness to enforce subordination as herein provided shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Issuer or by any act or failure to act in good faith by any such holder or by any noncompliance by the Issuer with the terms, provisions and covenants of this Indenture, regardless of any knowledge thereof which any such holder may have or be otherwise charged with. The holders of Superior Indebtedness may, at any time or from time to time and in their absolute discretion, change the manner, place or terms of payment, change or extend the time of payment of, or renew or alter, any such Superior Indebtedness or amend or supplement any instrument pursuant to which any such Superior Indebtedness is issued or by which it may be secured or release any security therefor or exercise or refrain from exercising any other of their rights under the Superior Indebtedness, including the

waiver of default thereunder, all without notice to or assent from the Holders of the Securities or the Trustee and without affecting the obligations of the Issuer, the Trustee or the Holders of Securities under this Article Fourteen.

Section 14.10 Trustee Not Fiduciary for Holders of Superior Indebtedness. The Trustee shall not be deemed to owe any fiduciary duty to the holders of the Superior Indebtedness and shall not be liable to any such holders if it shall mistakenly pay over or distribute money or assets to Securityholders or the Issuer.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, and the appropriate corporate seals to be hereunto affixed and attested, all as of November 29, 2001

HALLIBURTON COMPANY

By: /s/ Susan S. Keith  
-----  
Title: Vice President and Secretary  
-----

Attest:

By: /s/ Bruce A. Metzinger  
-----  
Title: Assistant Secretary  
-----

JPMORGAN CHASE BANK, as Trustee

By: /s/ Letha Glover  
-----  
Title: Vice President  
-----

CERTIFICATE OF TRUST

OF

HALLIBURTON CAPITAL TRUST I

This Certificate of Trust is being executed as of November 29, 2001 for the purpose of creating a business trust pursuant to the Delaware Business Trust Act, 12 Del. C. (SS) 3801 et seq. (the "Act").

The undersigned hereby certify as follows:

1. Name: The name of the business trust is Halliburton Capital Trust I (the "Trust").

2. Delaware Trustee. The name and business address of the Delaware resident trustee of the Trust meeting the requirements of Section 3807 of the Act are as follows:

Chase Manhattan Bank USA, National Association  
500 Stanton Christiana Road  
Building 4 - 3rd Floor  
Newark, Delaware 19713

3. Effective. The Certificate of Trust shall be effective immediately upon filing in the Office of the Secretary of State of the State of Delaware.

4. Counterparts. This Certificate of Trust may be executed in one or more counterparts.

IN WITNESS WHEREOF, the undersigned, being all of the trustees of the Trust, have duly executed this Certificate of Trust as of the day and year first above written.

CHASE MANHATTAN bank USA,  
NATIONAL ASSOCIATION  
as Delaware Trustee

By: /s/Denis Kelly  
-----  
Name: Denis Kelly  
Title: Assistant Vice President

/s/Susan S. Keith  
-----  
Susan S. Keith, as Trustee

/s/John M Allen  
-----  
John M. Allen, as Trustee

/s/Bruce A. Metzinger  
-----  
Bruce A. Metzinger, as Trustee

## DECLARATION OF TRUST

-----

DECLARATION OF TRUST, dated as of November 29, 2001, between Halliburton Company, a Delaware corporation, as sponsor (the "Sponsor"), Chase Manhattan Bank USA, National Association, as Delaware trustee (the "Delaware Trustee"), and Susan S. Keith, John M. Allen and Bruce A. Metzinger, as administrative trustees (the "Administrative Trustees" and collectively with the Delaware Trustee, the "Trustees"). The Sponsor and the Trustees hereby agree as follows:

1. The trust created hereby (the "Trust") shall be known as "Halliburton Capital Trust I", in which name the Trustees, or the Sponsor to the extent provided herein, may conduct the business of the Trust, make and execute contracts, and sue and be sued.

2. The Sponsor hereby assigns, transfers, conveys and sets over to the Trust the sum of \$10. The Trustees hereby acknowledge receipt of such amount from the Sponsor, which amount shall constitute the initial trust estate. The Trustees hereby declare that they will hold the trust estate for the Sponsor. It is the intention of the parties hereto that the Trust created hereby constitute a business trust under Chapter 38 of Title 12 of the Delaware Code, 12 Del. C. ss.ss. 3801 et seq. (the "Business Trust Act"), and that this document constitute the governing instrument of the Trust. The Trustees are hereby authorized and directed to execute and file a certificate of trust in the office of the Secretary of State of the State of Delaware in the form attached hereto. The Trust is hereby established by the Sponsor and the Trustees for the purposes of (i) issuing preferred securities ("Preferred Securities") representing undivided beneficial interests in the assets of the Trust in exchange for cash and investing the proceeds thereof in debt securities of the Sponsor, (ii) issuing and selling common securities ("Common Securities") representing undivided beneficial interests in the assets of the Trust to the Sponsor in exchange for cash and investing the proceeds thereof in additional debt securities of the Sponsor and (iii) engaging in such other activities as are necessary, convenient or incidental thereto.

3. The Sponsor and the Trustees will enter into an amended and restated Declaration of Trust, satisfactory to each such party, to provide for the contemplated operation of the Trust created hereby and the issuance of the Preferred Securities and the Common Securities referred to therein. Prior to the execution and delivery of such amended and restated Declaration of Trust, the Trustees shall not have any duty or obligation hereunder or with respect to the trust estate, except as otherwise required by applicable law or as may be necessary to obtain, prior to such execution and delivery, any licenses, consents or approvals required by applicable law or otherwise.

4. The Sponsor and the Trustees hereby authorize and direct the Sponsor, as the sponsor of the Trust, (i) to prepare and file a Registration Statement (including the Prospectus included therein and any Prospectus Supplement relating thereto) relating to the Preferred Securities meeting the requirements of the Securities Act of 1933, as amended (the "Securities Act"), and such other forms or filings as may be required by the Securities Act, the Securities Exchange Act of 1934, as amended, or the Trust Indenture Act of 1939, as amended, in each case relating to the Preferred Securities of the Trust; (ii) to execute and file on behalf of the Trust, such applications, reports, surety bonds, irrevocable consents, appointments of attorney for

service of process and other papers and documents that shall be necessary or desirable to register or establish the exemption from registration of the Preferred Securities of the Trust under the securities or "Blue Sky" laws of such jurisdictions as the Sponsor, on behalf of the Trust, may deem necessary or desirable; (iii) to execute and file an application, and all other applications, statements, certificates, agreements and other instruments that shall be necessary or desirable, to the New York Stock Exchange or any other national stock exchange or the Nasdaq National Market for listing or quotation of the Preferred Securities of the Trust; (iv) to execute and deliver letters or documents to, or instruments for filing with, a depository relating to the Preferred Securities of the Trust; and (v) to execute, deliver and perform on behalf of the Trust one or more underwriting agreements, purchase agreements, dealer manager agreements, escrow agreements and other related agreements providing for or relating to the sale of the Preferred Securities of the Trust. It is hereby acknowledged and agreed that in connection with any execution, filing or document referred to in clauses (i) to (v), inclusive, above, (A) any Administrative Trustee (or his attorneys-in-fact and agents or the Sponsor as permitted herein) is authorized on behalf of the Trust to execute and file such document on behalf of the Trust and (B) the Delaware Trustee shall not be required to join in any such filing or execute on behalf of the Trust any such document unless required by the rules and regulations of the New York Stock Exchange or any other national stock exchange or the Nasdaq National Market or state securities or blue sky laws, and in such case only to the extent so required.

5. This Declaration of Trust may be executed in one or more counterparts.

6. The number of Trustees initially shall be four (4) and thereafter the number of Trustees shall be such number as shall be fixed from time to time by a written instrument signed by the Sponsor which may increase or decrease the number of Trustees; provided, however, that the number of Trustees shall in no event be less than three (3); and provided, further, that to the extent required by the Business Trust Act, one Trustee shall either be a natural person who is a resident of the State of Delaware or, if not a natural person, an entity that has its principal place of business in the State of Delaware and meets any other requirements imposed by applicable law. Subject to the foregoing, the Sponsor is entitled to appoint or remove without cause any Trustee at any time. Any Trustee may resign upon 30 days prior notice to the Sponsor; provided, however, that the Delaware Trustee may resign immediately upon notice to the Sponsor if the Delaware Trustee is required to execute on behalf of the Trust any document or to join in any filing pursuant to the provisions of paragraph 4 hereof and, upon giving such notice, the Delaware Trustee shall not be required to execute on behalf of the Trust any such document or to join in any such filing; provided, further, that no resignation of the Delaware Trustee shall be effective until a successor Delaware Trustee has been appointed and has accepted such appointment by instrument executed by such successor Delaware Trustee and delivered to the Trust, the Sponsor and the resigning Delaware Trustee.

7. To the fullest extent permitted by applicable law, the Sponsor agrees to indemnify (i) the Delaware Trustee, (ii) any affiliate of the Delaware Trustee, and (iii) any officers, directors, shareholders, members, partners, employees, representatives, nominees, custodians or agents of the Delaware Trustee (each of the persons or entities in (i) to (iii), inclusive, being referred to as an "Indemnified Person") for, and to hold each Indemnified Person harmless against, any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the trust or

trusts hereunder, including the costs and expenses (including reasonable legal fees and expenses) of defending itself against, or investigating, any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder. The indemnity obligation set forth in this paragraph 7 shall survive the termination of this Declaration. The Delaware Trustee shall not have any of the powers or duties of the trustees set forth herein, except as required under the Business Trust Act. The Delaware Trustee shall be a trustee hereunder for the sole and limited purpose of fulfilling the requirements of Section 3807(a) of the Business Trust Act.

8. The Trust may terminate without issuing any Trust Securities at the election of the Sponsor.

9. This Declaration shall be governed by the laws of the State of Delaware, without regard to conflict of laws principles.

IN WITNESS WHEREOF, the parties hereto have caused this Declaration of Trust to be duly executed as of the day and year first above written.

HALLIBURTON COMPANY,  
as Sponsor

By: /s/Susan S. Keith  
-----  
Name: Susan Keith  
Title: Vice President and Secretary

CHASE MANHATTAN BANK USA,  
NATIONAL ASSOCIATION  
as Delaware Trustee

By: /s/Denis Kelly  
-----  
Name: Denis Kelly  
Title: Assistant Vice President

/s/Susan S. Keith  
-----  
Susan S. Keith, as Trustee

/s/John M Allen  
-----  
John M. Allen, as Trustee

/s/Bruce A. Metzinger  
-----  
Bruce A. Metzinger, as Trustee

-----  
HALLIBURTON CAPITAL TRUST I  
AMENDED AND RESTATED DECLARATION OF TRUST  
-----

Dated as of \_\_\_\_\_, \_\_\_\_\_

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\*This Cross-Reference Table does not constitute part of the Declaration of Trust and shall not affect the interpretation of any of its terms or provisions.

FORM OF AMENDED AND RESTATED

DECLARATION OF TRUST

OF

HALLIBURTON CAPITAL TRUST I

AMENDED AND RESTATED DECLARATION OF TRUST (this "Declaration") is dated and effective as of \_\_\_\_\_, \_\_\_\_, and is made by Chase Manhattan Bank USA, National Association, (the "Delaware Trustee"), JPMorgan Chase Bank, a New York banking corporation (the "Property Trustee"), Halliburton Company, a Delaware corporation (the "Sponsor"), and the Administrative Trustees (as hereinafter defined) for the benefit of the holders, from time to time, of undivided beneficial interests in the assets of the Trust to be issued pursuant to this Declaration;

RECITALS

The Sponsor and certain of the Trustees established the Halliburton Capital Trust I (the "Trust") as a trust under the Delaware Business Trust Act pursuant to a Declaration of Trust dated as of November 29, 2001 (the "Original Declaration") and a Certificate of Trust filed with the Secretary of State of the State of Delaware on November 29, 2001 for the sole purpose of issuing and selling certain securities representing undivided beneficial interests in the assets of the Trust and investing the proceeds thereof in certain Debentures of the Debenture Issuer (each as hereinafter defined), and engaging in only those other activities necessary, advisable or incidental thereto.

The parties hereto, by this Declaration, amend and restate each and every term and provision of the Original Declaration.

NOW, THEREFORE, it being the intention of the parties hereto to continue the Trust as a statutory business trust under the Business Trust Act and that this Declaration shall constitute the governing instrument of such business trust, the Trustees declare that all assets contributed to the Trust will be held in trust for the benefit of the holders, from time to time, of the securities representing undivided beneficial interests in the assets of the Trust issued hereunder, subject to the provisions of this Declaration, and the parties hereto hereby amend and restate each and every term and provision of the Original Declaration of Trust as follows:

ARTICLE I  
DEFINITIONS AND INTERPRETATION

SECTION 1.1 Definitions.

Unless the context otherwise requires:

(a) capitalized terms used in this Declaration but not defined in the preamble above have the respective meanings assigned to them in this Section 1.1 and in Annex I hereto;

(b) a term defined anywhere in this Declaration has the same meaning throughout;

(c) all references to "the Declaration" or "this Declaration" are to this Declaration as modified, supplemented or amended from time to time;

(d) all references in this Declaration to "Articles," "Sections," "Annexes" and "Exhibits" are to Articles and Sections of and Annexes and Exhibits to this Declaration unless otherwise specified;

(e) a term defined in the Trust Indenture Act has the same meaning when used in this Declaration unless otherwise defined in this Declaration or unless the context otherwise requires;

(f) a reference to the singular includes the plural and vice versa; and

(g) including means "including without limitation."

"Administrative Trustee" shall have the meaning set forth in Section 5.1(b).

"Affiliate" shall have the meaning ascribed to that term in Rule 405 under the Securities Act or any successor rule thereunder.

"Agent" means any Paying Agent, Registrar [or Conversion Agent].

"Authorized Officer" of a Person means any other Person that is authorized to legally bind such former Person.

"Book Entry Interest" means a beneficial interest in a Global Preferred Security registered in the name of a Clearing Agency or its nominee, ownership and transfers of which shall be maintained and made through book entries by a Clearing Agency as described in Section 9.4.

"Business Day" means any day other than a Saturday or a Sunday or a day on which banking institutions in New York, New York or Dallas, Texas are authorized or required by law or executive order to close.

"Business Trust Act" means Chapter 38 of Title 12 of the Delaware Code, 12 Del. Code ss.3801 et seq., as it may be amended from time to time, or any successor legislation.

"Clearing Agency" means an organization registered as a "Clearing Agency" pursuant to Section 17A of the Exchange Act that is acting as depository for the Preferred Securities and in whose name or in the name of a nominee of that organization shall be registered the Global Preferred Securities and which shall undertake to effect book entry ownership and transfers of ownership of the Preferred Securities.

"Clearing Agency Participant" means a broker, dealer, bank, other financial institution or other Person for whom from time to time the Clearing Agency effects book entry ownership and transfers of ownership of securities deposited with the Clearing Agency.

"Closing Date" means the ["Time of Delivery"], as such term is defined in the Underwriting Agreement.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, or any successor legislation.

"Commission" means the United States Securities and Exchange Commission as from time to time constituted or, if any time after the execution of this Declaration such Commission is not existing and performing the duties now assigned to it under applicable federal securities laws, then the body performing such duties at such time.

"Common Securities" shall have the meaning specified in Section 7.1(a).

"Common Securities Guarantee" means the guarantee agreement dated as of \_\_\_\_\_, \_\_\_\_ of the Sponsor in respect of the Common Securities.

"Common Securities Subscription Agreement" means the subscription agreement dated as of \_\_\_\_\_, \_\_\_\_ of the Sponsor in respect of the Common Securities.

"Company Indemnified Person" means (a) any Administrative Trustee; (b) any Affiliate of any Administrative Trustee; (c) any officers, directors, shareholders, members, partners, employees, representatives, trustees or agents of the Trust or its Affiliates.

["Conversion Agent" shall have the meaning set forth in Section 7.4.]

"Corporate Trust Office" means the office of the Property Trustee at which the corporate trust business of the Property Trustee shall, at any particular time, be principally administered, which office at the date of execution of this Declaration is located at 600 Travis Street, 11th Floor, Houston, Texas 77002.

"Covered Person" means: (a) any officer, director, shareholder, partner, member, representative, employee, trustee or agent of (i) the Trust or (ii) the Trust's Affiliates and (b) any Holder of Securities.

"Debenture Issuer" means Halliburton Company, a Delaware corporation, or any successor entity resulting from any consolidation, amalgamation, merger or other business combination, in its capacity as issuer of the Debentures under the Indenture.

"Debenture Subscription Agreement" means the subscription agreement in respect of the Debentures between the Debenture Issuer and the Trust dated as of \_\_\_\_\_, \_\_\_\_.

"Debenture Trustee" means JPMorgan Chase Bank, a New York banking corporation, as trustee under the Indenture until a successor is appointed thereunder, and thereafter means such successor trustee.

"Debentures" means, collectively, the [ \_\_\_\_% [Junior] Subordinated Debentures due \_\_\_\_] issued pursuant to the Indenture.

"Default" means an event, act or condition that with notice or lapse of time, or both, would constitute an Event of Default.

"Definitive Preferred Securities" shall have the meaning set forth in Section 7.3(c).

"Delaware Trustee" shall have the meaning set forth in Section 5.2.

"Direct Action" shall have the meaning set forth in Section 3.8(e).

"Distribution" means a distribution payable to Holders in accordance with Section 6.1.

"DTC" means The Depository Trust Company, the initial Clearing Agency.

"Event of Default" in respect of the Securities means an Event of Default (as defined in the Indenture) that has occurred and is continuing in respect of the Debentures.

"Event of Dissolution" shall have the meaning set forth in subsection (a) of Section 8.1.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, or any successor legislation.

"Fiduciary Indemnified Person" shall have the meaning set forth in Section 10.4(b).

"Fiscal Year" shall have the meaning set forth in Section 11.1.

"Global Preferred Security" shall have the meaning set forth in Section 7.3(a).

"Gross Proceeds" means the gross proceeds received by the Trust from the offering, sale and delivery of the Preferred Securities and the Common Securities before deducting any applicable underwriting discounts and commissions and any offering expenses.

"Holder" means a Person in whose name a Security is registered, such Person being a beneficial owner within the meaning of the Business Trust Act.

"Indemnified Person" means a Company Indemnified Person or a Fiduciary Indemnified Person.

"Indenture" means [the Subordinated Indenture dated as of January 2, 1991 between the Debenture Issuer and Texas Commerce Bank National Association (now JPMorgan Chase Bank), as trustee, as supplemented and amended by the First Supplemental Indenture dated as of December 12, 1996 among the Sponsor, the predecessor to the Sponsor and Texas Commerce Bank National Association and the Second Supplemental Indenture dated as of \_\_\_\_\_, 200\_, between the Debenture Issuer and JPMorgan Chase Bank] [the Junior Subordinated Indenture dated as of November 29, 2001 between the Debenture Issuer and JPMorgan Chase Bank, as trustee as supplemented by the First Supplemental Indenture dated as of \_\_\_\_\_, 200\_, between the Debenture Issuer and JPMorgan Chase Bank] and as hereafter amended from time to time.

"Investment Company" means an investment company as defined in the Investment Company Act.

"Investment Company Act" means the Investment Company Act of 1940, as amended from time to time, or any successor legislation.

"Legal Action" shall have the meaning set forth in Section 3.6(g).

"List of Holders" shall have the meaning set forth in Section 2.2(a).

"Majority in liquidation amount" means, with respect to the Trust Securities, except as provided in the terms of the Preferred Securities or by the Trust Indenture Act, Holder(s) of outstanding Trust Securities voting together as a single class or, as the context may require, Holders of outstanding Preferred Securities or Holders of outstanding Common Securities voting separately as a class owning of record more than 50% of the aggregate liquidation amount of all outstanding Trust Securities of the relevant class.

"Officers' Certificate" means, with respect to any Person, a certificate signed by any of the Chairman of the Board, a Vice Chairman of the Board, the Chief Executive Officer, the President or a Vice President and the Treasurer, an Assistant Treasurer, the Secretary or an Assistant Secretary of such Person. Any Officers' Certificate delivered by the Trust shall be signed by at least one Administrative Trustee. Any Officers' Certificate delivered with respect to compliance with a condition or covenant provided for in this Declaration shall include: (a) a statement that each officer signing the Officers' Certificate has read the covenant or condition and the definitions relating thereto; (b) a brief statement of the nature and scope of the examination or investigation undertaken by each officer in rendering the Officers' Certificate; (c) a statement that each such officer has made such examination or investigation as, in such officer's opinion, is necessary to enable such officer to express an informed opinion as to whether or not such covenant or condition has been complied with and (d) a statement as to whether, in the opinion of each such officer, such condition or covenant has been complied with.

"Opinion of Counsel" means a written opinion of counsel, who may be an employee of the Sponsor, and who shall be reasonably acceptable to the Property Trustee.

["Option Closing Time" means any settlement date with respect to an over-allotment option to purchase additional Preferred Securities granted to the underwriters in the Underwriting Agreement.]

"Original Declaration" shall have the meaning specified in the first recital hereof.

"Participants" shall have the meaning specified in Section 7.3(b).

"Paying Agent" shall have the meaning specified in Section 7.4.

"Payment Amount" shall have the meaning specified in Section 6.1.

"Person" means a legal person, including any individual, corporation, estate, partnership, joint venture, association, joint stock company, limited liability company, trust, unincorporated association, or government or any agency or political subdivision thereof, or any other entity of whatever nature.

"Preferred Securities" shall have the meaning specified in Section 7.1(a).

"Preferred Securities Guarantee" means the guarantee agreement in respect of Preferred Securities between the Sponsor and the Preferred Securities Guarantee Trustee (as defined therein) dated as of \_\_\_\_\_, \_\_\_\_.

"Preferred Security Beneficial Owner" means, with respect to a Book Entry Interest, a Person who is the beneficial owner of such Book Entry Interest, as reflected on the books of the Clearing Agency or on the books of a Person maintaining an account with such Clearing Agency (directly as a Clearing Agency Participant or as an indirect participant, in each case in accordance with the rules of such Clearing Agency).

"Property Trustee" shall have the meaning set forth in Section 5.3(a).

"Property Trustee Account" shall have the meaning set forth in Section 3.8(c)(i).

"Quorum" means a majority of the Administrative Trustees or, if there are only two Administrative Trustees, both of them.

"Registrar" shall have the meaning set forth in Section 7.4.

"Responsible Officer" means any officer within the Corporate Trust Office of the Property Trustee with direct responsibility for the administration of this Declaration and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of that officer's knowledge of and familiarity with the particular subject.

"Rule 3a-5" means Rule 3a-5 under the Investment Company Act or any successor rule or regulation.

"Securities" or "Trust Securities" means the Common Securities and the Preferred Securities.

"Securities Act" means the Securities Act of 1933, as amended from time to time, or any successor legislation.

"Securities Guarantees" means the Common Securities Guarantee and the Preferred Securities Guarantee.

"Special Event" has the meaning set forth in [Section 4(b)] of Annex I hereto.

"Sponsor" means Halliburton Company, a Delaware corporation, or any successor entity resulting from any merger, conversion, consolidation, amalgamation or other business combination, in its capacity as depositor of the Trust.

"Sponsor Affiliated Holder" shall have the meaning set forth in Section 7.10.

"Successor Delaware Trustee" shall have the meaning specified in Section 5.7(a).

"Successor Entity" shall have the meaning set forth in Section 3.15(b)(i).

"Successor Property Trustee" shall have the meaning set forth in Section 3.8(f).

"Successor Securities" shall have the meaning specified in Section 3.15(b)(i).

"Super Majority" shall have the meaning set forth in Section 2.6(a)(ii).

"10% in liquidation amount" means, with respect to the Trust Securities, except as provided in the terms of the Preferred Securities or by the Trust Indenture Act, Holder(s) of outstanding Trust Securities voting together as a single class or, as the context may require, Holders of outstanding Preferred Securities or Holders of outstanding Common Securities voting separately as a class owning of record 10% or more of the aggregate liquidation amount of all outstanding Securities of the relevant class.

"Treasury Regulations" means the income tax regulations, including temporary and proposed regulations, promulgated under the Code by the United States Treasury, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

"Trustee" or "Trustees" means each Person who has signed this Declaration as a trustee, so long as such Person shall continue as a trustee in accordance with the terms hereof, and all other Persons who may from time to time be duly appointed, qualified and serving as trustees in accordance with the provisions hereof, and references herein to a Trustee or the Trustees shall refer to such Person or Persons solely in their capacity as trustees hereunder.

"Trust Indenture Act" means the Trust Indenture Act of 1939, as amended from time to time, or any successor legislation.

"Underwriting Agreement" means the Underwriting Agreement dated \_\_\_\_\_ among the Sponsor, the Trust, and \_\_\_\_\_, as representatives of the several underwriters named therein relating to the initial offering and sale of the Preferred Securities.

ARTICLE II  
TRUST INDENTURE ACT

SECTION 2.1 Trust Indenture Act; Application.  
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(a) This Declaration is subject to the provisions of the Trust Indenture Act that are required to be part of this Declaration in order for this Declaration to be qualified under the Trust Indenture Act and shall, to the extent applicable, be governed by such provisions.

(b) The Property Trustee shall be the only trustee which is a Trustee for the purposes of the Trust Indenture Act.

(c) If and to the extent that any provision of this Declaration limits, qualifies or conflicts with the duties imposed by ss.ss. 310 to 317, inclusive, of the Trust Indenture Act, such imposed duties shall control.

(d) The application of the Trust Indenture Act to this Declaration shall not affect the nature of the Securities as equity securities representing undivided beneficial interests in the assets of the Trust.

SECTION 2.2 Lists of Holders of Securities.  
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(a) Each of the Sponsor and the Administrative Trustees on behalf of the Trust shall provide the Property Trustee, unless the Property Trustee is Registrar for the Securities, (i) within 14 days after each record date for payment of Distributions, a list, in such form as the Property Trustee may reasonably require, of the names and addresses of the Holders ("List of Holders") as of such record date, provided, however, that neither the Sponsor nor the Administrative Trustees on behalf of the Trust shall be obligated to provide such List of Holders at any time that the List of Holders does not differ from the most recent List of Holders given to the Property Trustee by the Sponsor and the Administrative Trustees on behalf of the Trust, and (ii) at any other time, within 30 days of receipt by the Trust of a written request for a List of Holders as of a date no more than 14 days before such List of Holders is given to the Property Trustee. The Property Trustee shall preserve, in as current a form as is reasonably practicable, all information contained in the latest List of Holders provided to it or that it receives in the capacity as Paying Agent (if acting in such capacity). The Property Trustee may destroy any List of Holders previously provided to it on receipt of a new List of Holders.

(b) The Property Trustee shall comply with its obligations under ss.ss.311(a), 311(b) and 312(b) of the Trust Indenture Act.

SECTION 2.3 Reports by the Property Trustee.  
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Within 60 days after \_\_\_\_\_ of each year, commencing \_\_\_\_\_, \_\_\_\_\_, the Property Trustee shall provide to the Holders of the Preferred Securities such reports as are required by ss. 313 of the Trust Indenture Act, if any, in the form and in the manner provided by ss. 313 of the Trust Indenture Act. The Property Trustee shall also comply with the requirements of ss. 313(d) of the Trust Indenture Act.

SECTION 2.4 Periodic Reports to Property Trustee.  
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Each of the Sponsor and the Administrative Trustees on behalf of the Trust shall provide to the Property Trustee such documents, reports and information as are required by ss. 314 (if any) of the Trust Indenture Act and the compliance certificate required by ss. 314 of the Trust Indenture Act in the form, in the manner and at the times required by ss. 314(a)(4) of the Trust Indenture Act.

SECTION 2.5 Evidence of Compliance with Conditions Precedent.  
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Each of the Sponsor and the Administrative Trustees on behalf of the Trust shall provide to the Property Trustee such evidence of compliance with any conditions precedent provided for in this Declaration that relate to any of the matters set forth in ss. 314(c) of the Trust Indenture Act. Any certificate or opinion required to be given by an officer pursuant to ss. 314(c)(1) of the Trust Indenture Act may be given in the form of an Officers' Certificate.

SECTION 2.6 Events of Default; Waiver.  
-----

(a) The Holders of a Majority in liquidation amount of Preferred Securities may, by vote, on behalf of the Holders of all of the Preferred Securities, waive any past Event of Default

in respect of the Preferred Securities and its consequences, provided, however, that, if the underlying Event of Default under the Indenture:

(i) is not waivable under the Indenture, the Event of Default under this Declaration shall also not be waivable; or

(ii) requires the consent or vote of greater than a majority in aggregate principal amount of the holders of the Debentures (a "Super Majority") to be waived under the Indenture, the Event of Default under this Declaration may only be waived by the vote of the Holders of at least the proportion in aggregate liquidation amount of the Preferred Securities that the relevant Super Majority represents of the aggregate principal amount of the Debentures outstanding.

The foregoing provisions of this Section 2.6(a) shall be in lieu of ss. 316(a)(1)(B) of the Trust Indenture Act and such ss. 316(a)(1)(B) of the Trust Indenture Act is hereby expressly excluded from this Declaration and the Securities, as permitted by the Trust Indenture Act. Upon such waiver, any such default shall cease to exist, and any Event of Default with respect to the Preferred Securities arising therefrom shall be deemed to have been cured, for every purpose of this Declaration, but no such waiver shall extend to any subsequent or other default or Event of Default with respect to the Preferred Securities or impair any right consequent thereon. Any waiver by the Holders of the Preferred Securities of an Event of Default with respect to the Preferred Securities shall also be deemed to constitute a waiver by the Holders of the Common Securities of any such Event of Default with respect to the Common Securities for all purposes of this Declaration without any further act, vote, or consent of the Holders of the Common Securities.

(b) The Holders of a Majority in liquidation amount of the Common Securities may, by vote, on behalf of the Holders of all of the Common Securities, waive any past Event of Default with respect to the Common Securities and its consequences, provided, however, that, if the underlying Event of Default under the Indenture:

(i) is not waivable under the Indenture, except where the Holders of the Common Securities are deemed to have waived such Event of Default under the Declaration as provided below in this Section 2.6(b), the Event of Default under the Declaration shall also not be waivable; or

(ii) requires the consent or vote of a Super Majority to be waived, except where the Holders of the Common Securities are deemed to have waived such Event of Default under the Declaration as provided below in this Section 2.6(b), the Event of Default under the Declaration may only be waived by the vote of the Holders of at least the proportion in aggregate liquidation amount of the Common Securities that the relevant Super Majority represents of the aggregate principal amount of the Debentures outstanding; provided, further, that the Holders of Common Securities will be deemed to have waived any such default and all Events of Default with respect to the Common Securities and their consequences until all Events of Default with respect to the Preferred Securities have been cured, waived or otherwise eliminated, and, until such Events of Default have been so cured, waived or otherwise eliminated, the Property Trustee will be deemed to be acting solely on behalf of the Holders of the Preferred Securities and only

the Holders of the Preferred Securities will have the right to direct the Property Trustee in accordance with the terms of the Securities.

The foregoing provisions of this Section 2.6(b) shall be in lieu of ss.ss. 316(a)(1)(A) and 316(a)(1)(B) of the Trust Indenture Act and such ss.ss. 316(a)(1)(A) and 316(a)(1)(B) of the Trust Indenture Act are hereby expressly excluded from this Declaration and the Securities, as permitted by the Trust Indenture Act. Subject to the foregoing provisions of this Section 2.6(b), upon such waiver, any such default shall cease to exist and any Event of Default with respect to the Common Securities arising therefrom shall be deemed to have been cured for every purpose of this Declaration, but no such waiver shall extend to any subsequent or other default or Event of Default with respect to the Common Securities or impair any right consequent thereon.

(c) A waiver of an Event of Default under the Indenture by the Property Trustee, at the direction of the Holders of the Preferred Securities, constitutes a waiver of the corresponding Event of Default under this Declaration. The foregoing provisions of this Section 2.6(c) shall be in lieu of ss. 316(a)(1)(B) of the Trust Indenture Act and such ss. 316(a)(1)(B) of the Trust Indenture Act is hereby expressly excluded from this Declaration and the Securities, as permitted by the Trust Indenture Act.

SECTION 2.7      Event of Default; Notice.  
-----

(a) The Property Trustee shall, within 90 days after the occurrence of a Default actually known to a Responsible Officer, transmit by mail, first class postage prepaid, to the Holders notices of all such Defaults with respect to the Securities, unless such Defaults have been cured before the giving of such notice; provided, however, that, except for a Default in the payment of principal of (or premium, if any) or interest (including Compounded Interest and Additional Sums, as such terms are defined in the Indenture, if any) on any of the Debentures, the Property Trustee shall be protected in withholding such notice if and so long as a Responsible Officer in good faith determines that the withholding of such notice is in the interests of the Holders.

(b) The Property Trustee shall not be deemed to have knowledge of any Default except:

(i) a default under [Sections 5.1(a) or (b) of the Indenture]; or

(ii) any Default as to which the Property Trustee shall have received written notice specifying such Default and stating that such notice is a "Notice of Default" or of which a Responsible Officer charged with the administration of the Declaration shall have actual knowledge.

ARTICLE III  
ORGANIZATION

SECTION 3.1      Name.  
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The Trust is named "Halliburton Capital Trust I" as such name may be modified from time to time by the Administrative Trustees following written notice to the Delaware Trustee, the

Property Trustee and the Holders. The Trust's activities may be conducted under the name of the Trust or any other name deemed advisable by the Administrative Trustees.

SECTION 3.2 Office.  
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The address of the principal office of the Trust is c/o Halliburton Company, 3600 Lincoln Plaza, 500 North Akard Street, Dallas, Texas 75201-3391. On ten Business Days prior written notice to the Delaware Trustee, the Property Trustee and the Holders of Securities, the Administrative Trustees may designate another principal office.

SECTION 3.3 Purpose.  
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The exclusive purposes and functions of the Trust are (a) to issue and sell Securities, (b) use the proceeds from the sale of the Securities to acquire the Debentures and, (c) except as otherwise limited herein, to engage in only those other activities necessary, advisable or incidental thereto.

SECTION 3.4 Authority.  
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Subject to the limitations provided in this Declaration and to the specific duties of the Property Trustee, the Administrative Trustees shall have exclusive and complete authority to carry out the purposes of the Trust. An action taken by the Administrative Trustees in accordance with their powers shall constitute the act of and serve to bind the Trust and an action taken by the Property Trustee on behalf of the Trust in accordance with its powers shall constitute the act of and serve to bind the Trust. In dealing with the Trustees acting on behalf of the Trust, no Person shall be required to inquire into the authority of the Trustees to bind the Trust. Persons dealing with the Trust are entitled to rely conclusively on the power and authority of the Trustees as set forth in this Declaration.

SECTION 3.5 Title to Property of the Trust.  
-----

Except as provided in Section 3.8 with respect to the Debentures and the Property Trustee Account or as otherwise provided in this Declaration, legal title to all assets of the Trust shall be vested in the Trust. The Holders shall not have legal title to any part of the assets of the Trust, but shall have an undivided beneficial interest in the assets of the Trust.

SECTION 3.6 Powers and Duties of the Administrative Trustees.  
-----

The Administrative Trustees shall have the exclusive power, duty and authority to cause the Trust to engage in the following activities:

(a) to execute, deliver, issue and sell the Securities in accordance with this Declaration; provided, however, that except as contemplated in Section 7.1(a),

(i) the Trust may issue no more than one series of Preferred Securities and no more than one series of Common Securities,

(ii) there shall be no interests in the Trust other than the Securities, and

(iii) the issuance of Securities shall be limited to a simultaneous issuance of both Preferred Securities and Common Securities at the Closing Date [and, if applicable, at any Option Closing Time];

(b) in connection with the issue and sale of the Preferred Securities, at the direction of the Sponsor:

(i) to file with the Commission under the Securities Act a registration statement prepared by the Sponsor on the appropriate form with respect to the offering, sale and delivery of the Preferred Securities, including any amendments thereto and including any supplements or amendments to the form of prospectus included therein, as permitted by the rules and regulations of the Commission;

(ii) to execute and file any documents prepared by the Sponsor, or take any acts as determined by the Sponsor to be necessary in order to qualify or register all or part of the Preferred Securities under the securities or blue sky laws of any state in which the Sponsor has determined to qualify or register such Preferred Securities for sale;

(iii) at the direction of the Sponsor, to execute and file an application, prepared by the Sponsor, to the New York Stock Exchange or any other national stock exchange or the Nasdaq National Market for listing or quotation of the Preferred Securities;

(iv) to execute and deliver letters, documents, or instruments with DTC and any other Clearing Agencies relating to the Preferred Securities;

(v) if required, to execute and file with the Commission a registration statement on Form 8-A, including any amendments thereto, prepared by the Sponsor, relating to the registration of the Preferred Securities under Section 12(b) or 12(g) of the Exchange Act; and

(vi) to cause the Trust to enter into such agreements and arrangements as may be necessary or desirable in connection with the sale of Preferred Securities to the underwriters thereof and the consummation thereof, and to take all action as may be necessary or desirable in connection with the consummation thereof;

(c) to acquire the Debentures with the proceeds of the sale of the Preferred Securities and the Common Securities; provided, however, that the Administrative Trustees shall cause legal title to the Debentures to be held of record in the name of the Property Trustee or its nominee for the benefit of the Trust and the Holders;

(d) to give the Sponsor and the Property Trustee prompt written notice of the occurrence of a Special Event;

(e) to establish a record date with respect to all actions to be taken hereunder that require a record date be established, including and with respect to, for the purposes of ss. 316(c) of the Trust Indenture Act, Distributions, voting rights, redemptions and exchanges, and to issue relevant notices to the Holders of Preferred Securities and Holders of Common Securities as to such actions and applicable record dates;

(f) to take all actions and perform such duties as may be required of the Administrative Trustees pursuant to the terms of the Securities;

(g) to bring or defend, pay, collect, compromise, arbitrate, resort to legal action, or otherwise adjust claims or demands of or against the Trust ("Legal Action"), unless pursuant to Section 3.8(e), the Property Trustee has the exclusive power to bring such Legal Action;

(h) to employ or otherwise engage employees and agents (who may be designated as officers with titles) and managers, contractors, advisors and consultants and pay reasonable compensation for such services;

(i) to cause the Trust to comply with the Trust's obligations under the Trust Indenture Act;

(j) to give the certificate required by ss.314(a)(4) of the Trust Indenture Act to the Property Trustee, which certificate may be executed by any Administrative Trustee;

(k) to incur expenses that are necessary or incidental to carry out any of the purposes of the Trust;

(l) to act as, or appoint another Person to act as, Registrar for the Securities or to appoint a Paying Agent [and Conversion Agent] for the Securities as provided in Section 7.4 except for such time as such power to appoint a Paying Agent [or Conversion Agent] is vested in the Property Trustee;

(m) to give prompt written notice to the Property Trustee and to Holders of any notice received from the Debenture Issuer of its election to defer payments of interest on the Debentures under the applicable provisions of the Indenture;

(n) to take all action that may be necessary or appropriate for the preservation and the continuation of the Trust's valid existence, rights, franchises and privileges as a statutory business trust under the laws of the State of Delaware and of each other jurisdiction in which such existence is necessary to protect the limited liability of the Holders or to enable the Trust to effect the purposes for which the Trust was created;

(o) to take any action, not inconsistent with this Declaration or with applicable law, that the Administrative Trustees determine in their discretion to be necessary or desirable in carrying out the activities of the Trust as set out in this Section 3.6, including:

(i) causing the Trust not to be deemed to be an Investment Company required to be registered under the Investment Company Act;

(ii) causing the Trust not to be classified for United States federal income tax purposes as an association taxable as a corporation; and

(iii) cooperating with the Debenture Issuer to ensure that the Debentures will be treated as indebtedness of the Debenture Issuer for United States federal income tax purposes;

(p) to take all action necessary to cause all applicable tax returns and tax information reports that are required to be filed with respect to the Trust to be duly prepared and filed by the Administrative Trustees, on behalf of the Trust; and

(q) to execute all documents or instruments, perform all duties and powers, and do all things for and on behalf of the Trust in all matters necessary or incidental to the foregoing.

The Administrative Trustees must exercise the powers set forth in this Section 3.6 in a manner that is consistent with the purposes and functions of the Trust set out in Section 3.3, and the Administrative Trustees shall not take any action that is inconsistent with the purposes and functions of the Trust set forth in Section 3.3.

Subject to this Section 3.6, the Administrative Trustees shall have none of the powers or the authority of the Property Trustee set forth in Section 3.8.

The Administrative Trustees shall take all actions on behalf of the Trust that are not specifically required by this Declaration to be taken by any other Trustee.

Any expenses incurred by the Administrative Trustees pursuant to this Section 3.6 shall be reimbursed by the Debenture Issuer.

SECTION 3.7 Prohibition of Actions by the Trust and the Trustees.  
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The Trust shall not, and the Trustees (including the Property Trustee) shall cause the Trust not to, engage in any activity other than as required or authorized by this Declaration. The Trust shall not:

(i) invest any proceeds received by the Trust from holding the Debentures, but shall distribute all such proceeds to Holders pursuant to the terms of this Declaration and of the Securities;

(ii) acquire any assets other than as expressly provided herein;

(iii) possess Trust property for other than a Trust purpose;

(iv) make any loans or incur any indebtedness other than loans represented by the Debentures;

(v) possess any power or otherwise act in such a way as to vary the Trust assets or the terms of the Securities in any way whatsoever, except as otherwise expressly provided herein;

(vi) issue any securities or other evidences of beneficial ownership of, or beneficial interest in, the Trust other than the Securities;

(vii) other than as provided in this Declaration or Annex I, (A) direct the time, method and place of conducting any proceeding with respect to any remedy available to the Debenture Trustee or exercise any trust or power conferred upon the Debenture Trustee with

respect to the Debentures, (B) waive any past default that is waivable under the Indenture, (C) exercise any right to rescind or annul any declaration that the principal of all the Debentures shall be due and payable, or (D) consent to any amendment, modification or termination of the Indenture or the Debentures where such consent shall be required, unless in the case of any of (A), (B), (C), or (D), the Trust shall have received an opinion of independent tax counsel experienced in such matters to the effect that such amendment, modification or termination will not cause more than an insubstantial risk that for United States federal income tax purposes the Trust will not be classified as a grantor trust;

(viii) take any action that would result in the placement of a pledge or mortgage on any of the Trust property; or

(ix) vary the investment (within the meaning of Treasury Regulation Section 301.7701-4(c)) of the Trust or of the Holders of Securities.

SECTION 3.8 Powers and Duties of the Property Trustee.  
-----

(a) The legal title to the Debentures shall be owned by and held of record in the name of the Property Trustee in trust for the benefit of the Trust and the Holders. The right, title and interest of the Property Trustee to the Debentures shall vest automatically in each Person who may hereafter be appointed as Property Trustee in accordance with Section 5.7. Such vesting and cessation of title shall be effective whether or not conveyancing documents with regard to the Debentures have been executed and delivered.

(b) The Property Trustee shall not transfer its right, title and interest in the Debentures to the Administrative Trustees or to the Delaware Trustee (if the Property Trustee does not also act as Delaware Trustee).

(c) The Property Trustee shall:

(i) establish and maintain a segregated non-interest bearing trust account (the "Property Trustee Account") in the name of and under the exclusive control of the Property Trustee on behalf of the Holders and, upon the receipt of payments of funds made in respect of the Debentures held by the Property Trustee, deposit such funds into the Property Trustee Account and make payments or cause the Paying Agent to make payments to the Holders from the Property Trustee Account in accordance with Section 6.1. Funds in the Property Trustee Account shall be held uninvested until disbursed in accordance with this Declaration. The Property Trustee Account shall be an account that is maintained with a banking institution whose rating on its long-term unsecured indebtedness by a "nationally recognized statistical rating organization," as that term is defined for purposes of Rule 436(g)(2) under the Securities Act, is at least investment grade;

(ii) engage in such ministerial activities as shall be necessary or appropriate to effect the redemption of the Trust Securities to the extent the Debentures are redeemed or mature; and

(iii) upon written notice of distribution issued by the Administrative Trustees in accordance with the terms of the Securities, engage in such ministerial activities as

shall be necessary or appropriate to effect the distribution of the Debentures to Holders upon the occurrence of certain events.

(d) The Property Trustee shall take all actions and perform such duties as may be specifically required of the Property Trustee pursuant to the terms of the Securities.

(e) Subject to Section 3.9(a), the Property Trustee shall take any Legal Action that arises out of or in connection with an Event of Default of which a Responsible Officer of the Property Trustee has actual knowledge or the Property Trustee's duties and obligations under this Declaration or the Trust Indenture Act; provided, however, that, if an Event of Default has occurred and is continuing and such event is attributable to the failure of the Debenture Issuer to pay the principal of or premium, if any, or interest on the Debentures on the date such principal, premium, if any, or interest is otherwise payable (or in the case of redemption, on the redemption date), then a Holder of Preferred Securities may directly institute a proceeding against the Debenture Issuer for enforcement of payment to such Holder of the principal of or premium, if any, or interest on the Debentures having a principal amount equal to the aggregate Liquidation Amount of the Preferred Securities of such Holder (a "Direct Action") on or after the respective due date specified in the Debentures. Notwithstanding any payments made to such Holder by the Debenture Issuer in connection with such Direct Action, the Debenture Issuer shall remain obligated to pay the principal of, premium, if any, or interest on such Debentures, and the Debenture Issuer shall be subrogated to the rights of such Holder of Preferred Securities to the extent of any payment made by the Debenture Issuer to such Holder of Preferred Securities in such Direct Action. Except as provided in the preceding sentences, the Holders of Preferred Securities shall not be entitled to exercise directly any other remedy available to the Holders of the Debentures.

(f) The Property Trustee shall continue to serve as a Trustee until either:

(i) the Trust has been completely liquidated and the proceeds of the liquidation distributed to the Holders pursuant to the terms of the Securities; or

(ii) a successor Property Trustee has been appointed and has accepted that appointment in accordance with Section 5.7 (a "Successor Property Trustee").

(g) Subject to the provisions of subsection (b) of Section 6 of Annex I to this Declaration, the Property Trustee shall have the legal power to exercise all of the rights, powers and privileges of a holder of Debentures under the Indenture and, if an Event of Default actually known to a Responsible Officer occurs and is continuing, the Property Trustee shall, for the benefit of Holders, enforce its rights as holder of the Debentures subject to the rights of the Holders pursuant to the terms of such Securities.

(h) The Property Trustee shall be authorized to undertake any actions set forth in ss.317(a) of the Trust Indenture Act.

(i) For such time as the Property Trustee is the Paying Agent, the Property Trustee may authorize one or more Persons to act as additional Paying Agents and to pay Distributions, redemption payments or liquidation payments on behalf of the Trust with respect to all Securities and any such Paying Agent shall comply with ss. 317(b) of the Trust Indenture Act. Any such additional Paying Agent may be removed by the Property Trustee at any time the Property Trustee remains as Paying Agent and a successor Paying Agent or additional Paying Agents may

be (but are not required to be) appointed at any time by the Property Trustee while the Property Trustee is so acting as Paying Agent.

(j) Subject to this Section 3.8, the Property Trustee shall have none of the duties, liabilities, powers or the authority of the Administrative Trustees set forth in Section 3.6.

Notwithstanding anything expressed or implied to the contrary in this Declaration or any Annex or Exhibit hereto, (i) the Property Trustee must exercise the powers set forth in this Section 3.8 in a manner that is consistent with the purposes and functions of the Trust set out in Section 3.3, and (ii) the Property Trustee shall not take any action that is inconsistent with the purposes and functions of the Trust set out in Section 3.3.

SECTION 3.9 Certain Duties and Responsibilities of the Property Trustee.  
-----

(a) The Property Trustee, before the occurrence of any Event of Default and after the curing of all Events of Default that may have occurred, shall undertake to perform only such duties as are specifically set forth in this Declaration and in the Securities and no implied covenants shall be read into this Declaration against the Property Trustee. In case an Event of Default has occurred (that has not been cured or waived pursuant to Section 2.6) of which a Responsible Officer has actual knowledge, the Property Trustee shall exercise such of the rights and powers vested in it by this Declaration, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(b) No provision of this Declaration shall be construed to relieve the Property Trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(i) prior to the occurrence of an Event of Default and after the curing or waiving of all Events of Default that may have occurred: (A) the duties and obligations of the Property Trustee shall be determined solely by the express provisions of this Declaration and the Securities and the Property Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Declaration and the Securities, and no implied covenants or obligations shall be read into this Declaration or the Securities against the Property Trustee; and (B) in the absence of bad faith on the part of the Property Trustee, the Property Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Property Trustee and conforming to the requirements of this Declaration; provided, however, that, in the case of any such certificates or opinions that by any provision hereof are specifically required to be furnished to the Property Trustee, the Property Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Declaration;

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

(iii) the Property Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not

less than a Majority in liquidation amount of the Preferred Securities relating to the time, method and place of conducting any proceeding for any remedy available to the Property Trustee, or exercising any trust or power conferred upon the Property Trustee under this Declaration;

(iv) no provision of this Declaration shall require the Property Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it under the terms of this Declaration or indemnity reasonably satisfactory to the Property Trustee against such risk or liability is not reasonably assured to it;

(v) the Property Trustee's sole duty with respect to the custody, safekeeping and physical preservation of the Debentures and the Property Trustee Account shall be to deal with such property in a similar manner as the Property Trustee deals with similar property for its own account, subject to the protections and limitations on liability afforded to the Property Trustee under this Declaration and the Trust Indenture Act;

(vi) the Property Trustee shall have no duty or liability for or with respect to the value, genuineness, existence or sufficiency of the Debentures or the payment of any taxes or assessments levied thereon or in connection therewith;

(vii) the Property Trustee shall not be liable for any interest on any money received by it except as it may otherwise agree in writing with the Sponsor. Money held by the Property Trustee need not be segregated from other funds held by it except in relation to the Property Trustee Account maintained by the Property Trustee pursuant to Section 3.8(c)(i) and except to the extent otherwise required by law; and

(viii) the Property Trustee shall not be responsible for monitoring the compliance by the Administrative Trustees or the Sponsor with their respective duties under this Declaration, nor shall the Property Trustee be liable for any default or misconduct of the Administrative Trustees or the Sponsor.

SECTION 3.10 Certain Rights of Property Trustee.  
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(a) Subject to the provisions of Section 3.9:

(i) the Property Trustee may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed, sent or presented by the proper party or parties;

(ii) any direction or act of the Sponsor or the Administrative Trustees contemplated by this Declaration may be sufficiently evidenced by an Officers' Certificate;

(iii) whenever in the administration of this Declaration, the Property Trustee shall deem it desirable that a matter be proved or established before taking, suffering or omitting any action hereunder, the Property Trustee (unless other evidence is herein specifically

prescribed) may, in the absence of bad faith on its part, request and conclusively rely upon an Officers' Certificate which, upon receipt of such request, shall be promptly delivered by the Sponsor or the Administrative Trustees;

(iv) the Property Trustee shall have no duty to see to any recording, filing or registration of any instrument (including any financing or continuation statement or any filing under tax or securities laws) or any rerecording, refiling or reregistration thereof except for those required as a result of any change in the name, address or identity of the Property Trustee;

(v) the Property Trustee may consult with counsel or other experts of its selection or request an Opinion of Counsel be furnished by, or on behalf of, the Sponsor and the advice or opinion of such counsel and experts with respect to legal matters or advice within the scope of such experts' area of expertise or such Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with such advice or opinion or Opinion of Counsel. Such counsel may be counsel to the Sponsor or any of its Affiliates, and may include any of its employees. The Property Trustee shall have the right at any time to seek instructions concerning the administration of this Declaration from any court of competent jurisdiction;

(vi) the Property Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Declaration at the request or direction of any Holder, unless such Holder shall have provided to the Property Trustee security and indemnity, reasonably satisfactory to the Property Trustee, against the costs, expenses (including reasonable attorneys' fees and expenses and the expenses of the Property Trustee's agents, nominees or custodians) and liabilities that might be incurred by it in complying with such request or direction, including such reasonable advances as may be requested by the Property Trustee;

(vii) the Property Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Property Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit;

(viii) the Property Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, custodians, nominees or attorneys and the Property Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder;

(ix) any action taken by the Property Trustee or its agents hereunder shall bind the Trust and the Holders, and the signature of the Property Trustee or its agents alone shall be sufficient and effective to perform any such action and no third party shall be required to inquire as to the authority of the Property Trustee to so act or as to its compliance with any of the terms and provisions of this Declaration, both of which shall be conclusively evidenced by the Property Trustee's or its agent's taking such action;

(x) whenever in the administration of this Declaration the Property Trustee shall deem it desirable to receive instructions with respect to enforcing any remedy or

right or taking any other action hereunder, the Property Trustee (i) may request instructions from the Holders which instructions may only be given by the Holders of the same proportion in liquidation amount of the Securities as would be entitled to direct the Property Trustee under the terms of the Securities in respect of such remedy, right or action, (ii) may refrain from enforcing such remedy or right or taking such other action until such instructions are received, and (iii) shall be protected in conclusively relying on or acting in accordance with such instructions;

(xi) except as otherwise expressly provided by this Declaration, the Property Trustee shall not be under any obligation to take any action that is discretionary under the provisions of this Declaration; and

(xii) the Property Trustee shall not be liable for any action taken, suffered, or omitted to be taken by it in good faith, without negligence, and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Declaration.

(b) No provision of this Declaration shall be deemed to impose any duty or obligation on the Property Trustee to perform any act or acts or exercise any right, power, duty or obligation conferred or imposed on it in any jurisdiction in which it shall be illegal, or in which the Property Trustee shall be unqualified or incompetent in accordance with applicable law, to perform any such act or acts or to exercise any such right, power, duty or obligation. No permissive power or authority available to the Property Trustee shall be construed to be a duty.

SECTION 3.11 Delaware Trustee.  
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Notwithstanding any other provision of this Declaration other than Section 5.2, the Delaware Trustee shall not be entitled to exercise any powers, nor shall the Delaware Trustee have any of the duties and responsibilities of the Trustees (except as required under the Business Trust Act) described in this Declaration. Except as set forth in Section 5.2, the Delaware Trustee shall be a Trustee for the sole and limited purpose of fulfilling the requirements of ss.3807 of the Business Trust Act. No implied covenants or obligations shall be read into this Declaration against the Delaware Trustee.

SECTION 3.12 Execution of Documents.  
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Except as otherwise required by the Business Trust Act or this Declaration, any Administrative Trustee or, if there is only one, such Administrative Trustee is authorized to execute on behalf of the Trust any documents that the Administrative Trustees have the power and authority to execute pursuant to Section 3.6; provided, however, that any Registration Statement referred to in Section 3.6(b)(i), including any amendments thereto, shall be signed by all of the Administrative Trustees.

SECTION 3.13 Not Responsible for Recitals or Issuance of Securities.  
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The recitals contained in this Declaration and the Securities shall be taken as the statements of the Sponsor, and the Trustees do not assume any responsibility for their correctness. The Trustees make no representations as to the value or condition of the property of the Trust or any part thereof. The Trustees make no representations as to the validity or sufficiency of this Declaration or the Securities.

SECTION 3.14 Duration of Trust.  
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The Trust, unless dissolved pursuant to the provisions of Article VIII hereof, shall dissolve on \_\_\_\_\_, \_\_\_\_.

SECTION 3.15 Mergers.  
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(a) The Trust may not merge with or into, convert into, consolidate, amalgamate, or be replaced by, or convey, transfer or lease its properties and assets substantially as an entirety to any Person, except as described in Section 3.15(b) and (c) of this Declaration and Section 3 of Annex I.

(b) The Trust may, at the request of the Sponsor, with the consent of the Administrative Trustees or, if there are more than two, a majority of the Administrative Trustees and without the consent of the Holders, the Delaware Trustee or the Property Trustee, merge with or into, convert into, consolidate, amalgamate, be replaced by or convey, transfer or lease its properties and assets as an entirety or substantially as an entirety to a trust organized as such under the laws of any State; provided that:

(i) such successor entity (the "Successor Entity") either: (A) expressly assumes all of the obligations of the Trust under the Securities and this Declaration; or (B) substitutes for the Securities other securities having substantially the same terms as the Securities (the "Successor Securities") so long as the Successor Securities rank the same as the Securities rank with respect to Distributions and payments upon liquidation, redemption and otherwise;

(ii) the Sponsor expressly appoints a trustee of the Successor Entity that possesses the same powers and duties as the Property Trustee in its capacity as the holder of the Debentures;

(iii) the Successor Securities are listed, or any Successor Securities will be listed upon notification of issuance, on any national securities exchange or with another organization on which the Preferred Securities are then listed or quoted, if any;

(iv) if the Preferred Securities (including any Successor Securities) are rated by any nationally recognized statistical rating organization prior to such transaction, such merger, conversion, consolidation, amalgamation, replacement, conveyance, transfer or lease will not cause the Preferred Securities (including any Successor Securities), or if the Debentures are so rated, the Debentures, to be downgraded by any nationally recognized statistical rating organization;

(v) such merger, conversion, consolidation, amalgamation, replacement, conveyance, transfer or lease will not adversely affect the rights, preferences and privileges of the Holders (including the holders of any Successor Securities) in any material respect (other than with respect to any dilution of such Holders' interests in the new entity);

(vi) such Successor Entity has a purpose substantially identical to that of the Trust;

(vii) prior to such merger, conversion, consolidation, amalgamation, replacement, conveyance, transfer or lease, the Sponsor shall have received an opinion of an independent counsel to the Trust experienced in such matters to the effect that: (A) such merger, conversion, consolidation, amalgamation, replacement, conveyance, transfer or lease does not adversely affect the rights, preferences and privileges of the Holders (including the holders of any Successor Securities) in any material respect (other than with respect to any dilution of the Holders' interests in the new entity); (B) following such merger, conversion, consolidation, amalgamation, replacement, conveyance, transfer or lease, neither the Trust nor the Successor Entity will be required to register as an Investment Company; and (C) following such merger, conversion, consolidation, amalgamation, replacement, conveyance, transfer or lease, the Trust (or the Successor Entity) will continue to be classified as a grantor trust for United States federal income tax purposes; and

(viii) the Sponsor or any permitted successor or assignee owns all of the common securities of such Successor Entity and guarantees the obligations of such Successor Entity under the Successor Securities at least to the extent provided by the Preferred Securities Guarantee and the Common Securities Guarantee.

(c) Notwithstanding Section 3.15(b), the Trust shall not, except with the consent of Holders of 100% in liquidation amount of the Securities, consolidate, amalgamate, merge with or into, convert into, be replaced by, or convey, transfer or lease its properties and assets as an entirety or substantially as an entirety to any other Person or permit any other Person to consolidate, convert into, amalgamate, merge with or into, or replace it if such consolidation, conversion, amalgamation, merger, replacement, conveyance, transfer or lease would cause the Trust or the Successor Entity not to be classified as a grantor trust for United States federal income tax purposes or would cause the Holders of the Securities not to be treated as owning an undivided interest in the Debentures.

ARTICLE IV  
SPONSOR

SECTION 4.1 Sponsor's Purchase of Common Securities.  
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At the Closing Date [and any Option Closing Time, if applicable], the Sponsor will purchase all of the Common Securities then issued by the Trust, in an amount equal to at least 3% of the total capital of the Trust, at the same time as the Preferred Securities are issued and sold.

SECTION 4.2 Responsibilities of the Sponsor.  
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In connection with the issue and sale of the Preferred Securities, the Sponsor shall have the exclusive right and responsibility to engage in the following activities:

(a) if deemed necessary by the Sponsor and not performed by the Sponsor prior to the date of this Declaration pursuant to the Original Declaration, to prepare for filing by the Trust with the Commission any Registration Statement (including a Prospectus contained therein and any Prospectus Supplement relating thereto) relating to the offering, sale and delivery of the Preferred Securities, including any amendments thereto, as contemplated by Section 3.6(b)(i);

(b) if deemed necessary by the Sponsor and not performed by the Sponsor prior to the date of this Declaration pursuant to the Original Declaration, to determine the States in which to take appropriate action to qualify or register for sale all or part of the Preferred Securities, to advise the Trust of such determinations, to do any and all such acts, other than actions that must be taken by the Trust, necessary to effect such qualification or registration, to advise the Trust of the actions it must take necessary to effect such qualification or registration and to prepare for execution and filing such documents and instruments to be executed and filed by the Trust as the Sponsor deems necessary or advisable in order to comply with the applicable laws of any such States with respect to such qualification or registration;

(c) if deemed necessary or desirable by the Sponsor, to prepare for filing by the Trust an application to permit the Preferred Securities to trade or be quoted or listed in or on any national securities exchange, quotation system or the Nasdaq Stock Market's National Market;

(d) if deemed necessary or desirable by the Sponsor, to prepare for execution and filing by the Trust with the Commission a registration statement on the appropriate Form, including any amendments thereto, relating to the registration of the Preferred Securities under Section 12(b) or 12(g) of the Exchange Act;

(e) if deemed necessary by the Sponsor and not performed by the Sponsor prior to the date of this Declaration pursuant to the Original Declaration, to negotiate the terms of an Underwriting Agreement providing for the registration, offering and sale of the Preferred Securities; and

(f) if deemed necessary by the Sponsor and not performed by the Sponsor prior to the date of this Declaration pursuant to the Original Declaration, to negotiate the terms of the Debenture Subscription Agreement and the Common Securities Subscription Agreement.

SECTION 4.3     Right to Proceed.  
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The Sponsor acknowledges the rights of the Holders of Preferred Securities (as set forth in Section 3.8(e) of this Declaration and Sections 6(b) and 7(c) of Annex I), if a failure of the Trust to pay Distributions on the Preferred Securities is attributable to the failure of the Debenture Issuer to pay interest or principal on the Debentures, to institute a proceeding directly against the Debenture Issuer for enforcement of its payment obligations on the Debentures.

ARTICLE V  
TRUSTEES

SECTION 5.1     Number of Trustees: Appointment of Co-Trustee.  
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The number of Trustees initially shall be [four (4)], and:

(a) at any time before the issuance of any Securities, the Sponsor may, by written instrument, increase or decrease the number of Trustees; and

(b) after the issuance of any Securities, the number of Trustees may be increased or decreased by vote of the Holders of a Majority in Liquidation Amount of the Common Securities

voting as a class at a meeting of the Holders of the Common Securities; provided, however, that, the number of Trustees shall in no event be less than two (2); provided further, that:

(i) one Trustee shall satisfy the requirements of the Delaware Trustee pursuant to Section 5.2;

(ii) there shall be at least one Trustee who is an officer of the Sponsor (an "Administrative Trustee"); and

(iii) one Trustee shall be the Property Trustee for so long as this Declaration is required to qualify as an indenture under the Trust Indenture Act, and such Trustee may also serve as Delaware Trustee if it meets the applicable requirements.

Notwithstanding the above provisions of this subsection, unless an Event of Default shall have occurred and be continuing, at any time or times, for the purpose of meeting the legal requirements of the Trust Indenture Act or of any jurisdiction in which any part of the Trust's property may at the time be located, the Holders of a Majority in Liquidation Amount of the Common Securities acting as a class at a meeting of the Holders of the Common Securities, and the Administrative Trustees shall, together, have the power to appoint one or more Persons either to act as a co-trustee, jointly with the Property Trustee, of all or any part of the Trust's property or to act as separate trustee of any such property, in either case with such powers as may be provided in the instrument of appointment, and to vest in such Person or Persons in such capacity any property, title, right or power deemed necessary or desirable, subject to the provisions of this Declaration. In case an Event of Default has occurred and is continuing, the Property Trustee alone shall have power to make any such appointment of a co-trustee.

SECTION 5.2 Delaware Trustee.  
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If required by the Business Trust Act, one Trustee (the "Delaware Trustee") shall be:

(a) a natural person who is a resident of the State of Delaware; or

(b) if not a natural person, an entity that has its principal place of business in the State of Delaware and otherwise meets the requirements of applicable law, provided, however, that, if the Property Trustee has its principal place of business in the State of Delaware and otherwise meets the requirements of applicable law, then the Property Trustee shall also be the Delaware Trustee and Section 3.11 shall have no application.

SECTION 5.3 Property Trustee; Eligibility.  
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(a) There shall at all times be one Trustee (the "Property Trustee") which shall act as Property Trustee and which shall:

(i) not be an Affiliate of the Sponsor; and

(ii) be a Person organized and doing business under the laws of the United States of America or any State or Territory thereof or of the District of Columbia, or a Person permitted by the Commission to act as an institutional trustee under the Trust Indenture Act,

authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least 50 million U.S. dollars (\$50,000,000), and subject to supervision or examination by Federal, State, Territorial or District of Columbia authority. If such Person publishes reports of condition at least annually, pursuant to law or to the requirements of the supervising or examining authority referred to above in this paragraph, then for the purposes of this paragraph, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

(b) If at any time the Property Trustee shall cease to be eligible to so act under subsection (a) of this Section, the Property Trustee shall immediately resign in the manner and with the effect set forth in subsection (c) of Section 5.7.

(c) If the Property Trustee has or shall acquire any "conflicting interest" within the meaning of ss. 310(b) of the Trust Indenture Act, the Property Trustee and the Holder of the Common Securities (as if it were the obligor referred to in ss. 310(b) of the Trust Indenture Act) shall in all respects comply with the provisions of ss. 310(b) of the Trust Indenture Act.

(d) The Preferred Securities Guarantee and the Indenture shall be deemed to be specifically described in this Declaration for purposes of clause (i) of the first proviso contained in ss. 310(b) of the Trust Indenture Act.

(e) The initial Property Trustee shall be:

JPMorgan Chase Bank  
600 Travis  
11th Floor  
Houston, Texas 77002  
Attention: Institutional Trust Services  
Telecopy: (713) 577-5200

SECTION 5.4 Certain Qualifications of Administrative Trustees and Delaware  
Trustee Generally.  
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Each Administrative Trustee and the Delaware Trustee (unless the Property Trustee also acts as Delaware Trustee) shall be either a natural person who is at least 21 years of age or a legal entity that shall act through one or more Authorized Officers.

SECTION 5.5 Administrative Trustees.  
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(a) The initial Administrative Trustees shall be:

Susan S. Keith  
John M. Allen  
Bruce A. Metzinger

(b) Except as expressly set forth in this Declaration and except if a meeting of the Administrative Trustees is called with respect to any matter over which the Administrative

Trustees have power to act, any power of the Administrative Trustees may be exercised by, or with the consent of, any one such Administrative Trustee.

(c) An Administrative Trustee shall have the authority set forth in Section 3.12 to execute on behalf of the Trust any documents that the Administrative Trustees have the power and authority to cause the Trust to execute pursuant to Section 3.6; provided, however, that any Registration Statement referred to in Section 3.6(b)(i), including any amendments thereto, shall be signed by all of the Administrative Trustees.

SECTION 5.6 Delaware Trustee.  
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The initial Delaware Trustee shall be:

Chase Manhattan Bank USA, National Association  
500 Stanton Christiana Road  
Building 4 - 3rd Floor  
Newark, Delaware 19713  
Attention: Corporate Trust Department  
Telecopy: \_\_\_\_\_

SECTION 5.7 Appointment, Removal and Resignation of Trustees.  
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(a) Subject to Section 5.7(b) of this Declaration and to Section 7(b) of Annex I hereto, Trustees may be appointed or removed without cause at any time:

- (i) until the issuance of any Securities, by written instrument executed by the Sponsor;
- (ii) with respect to the Administrative Trustees, by vote of Holders of a Majority in Liquidation Amount of Common Securities voting as a class at a meeting of the Holders of the Common Securities;
- (iii) unless an Event of Default shall have occurred and be continuing after the issuance of any Securities, with respect to the Property Trustee or the Delaware Trustee, by vote of the Holders of a Majority in Liquidation Amount of the Common Securities voting as a class at a meeting of the Holders of the Common Securities; and
- (iv) if an Event of Default shall have occurred and be continuing after the issuance of the Securities, with respect to the Property Trustee or the Delaware Trustee, by vote of Holders of a Majority in Liquidation Amount of the Preferred Securities voting as a class at a meeting of Holders of the Preferred Securities.

- (b) (i) The Property Trustee shall not be removed in accordance with Section 5.7(a) until a Successor Property Trustee has been appointed and has accepted such appointment by written instrument executed by such Successor Property Trustee and delivered to the Administrative Trustees and the Sponsor; and
- (ii) the Delaware Trustee shall not be removed in accordance with Section 5.7(a) until a successor Trustee possessing the qualifications to act as Delaware Trustee under Sections 5.2 and 5.4 (a "Successor Delaware Trustee") has been appointed and has accepted such appointment by written instrument executed by such Successor Delaware Trustee and delivered to the Administrative Trustees and the Sponsor.

(c) A Trustee appointed to office shall hold office until his successor shall have been appointed or until his death, removal or resignation. Any Trustee may resign from office (without need for prior or subsequent accounting) by an instrument in writing signed by the Trustee and delivered to the Sponsor and the Trust, which resignation shall take effect upon such delivery or upon such later date as is specified therein; provided, however, that:

(i) no such resignation of the Trustee that acts as the Property Trustee shall be effective: (A) until a Successor Property Trustee has been appointed and has accepted such appointment by instrument executed by such Successor Property Trustee and delivered to the Trust, the Sponsor and the resigning Property Trustee; or (B) until the assets of the Trust have been completely liquidated and the proceeds thereof distributed to the Holders; and

(ii) no such resignation of the Trustee that acts as the Delaware Trustee shall be effective until a Successor Delaware Trustee has been appointed and has accepted such appointment by instrument executed by such Successor Delaware Trustee and delivered to the Trust, the Sponsor and the resigning Delaware Trustee.

(d) If the Property Trustee or the Delaware Trustee delivers an instrument of resignation in accordance with this Section 5.7:

(i) prior to the issuance of the Securities or thereafter if no Event of Default shall have occurred and be continuing, the Holders of the Common Securities shall use their best efforts to appoint promptly a Successor Delaware Trustee or Successor Property Trustee, as the case may be; or

(ii) if, after the issuance of the Securities, an Event of Default shall have occurred and be continuing, the Holders of the Preferred Securities shall have the exclusive right to appoint a Successor Delaware Trustee or Successor Property Trustee, as the case may be, by vote of Holders of a Majority in Liquidation Amount of the Preferred Securities voting as a class at a meeting of Holders of the Preferred Securities; provided, however, that the Sponsor shall use its best efforts to locate a potential Trustee willing to accept such appointment and to submit the name of that Person to the Holders of the Preferred Securities for their consideration as a Successor Delaware Trustee or Successor Property Trustee, as the case may be.

The bankruptcy, dissolution, liquidation, incompetence or incapacity to perform the duties of the Property Trustee or the Delaware Trustee shall be deemed to constitute an act of resignation by that Trustee under this Section 5.7.

(e) If no Successor Property Trustee or Successor Delaware Trustee shall have been appointed and accepted appointment as provided in this Section 5.7 within 60 days after delivery of an instrument of resignation or removal, the Property Trustee or Delaware Trustee resigning or being removed, as applicable, or the Administrative Trustees may petition any court of competent jurisdiction for appointment of a Successor Property Trustee or Successor Delaware Trustee. Such court may thereupon, after prescribing such notice, if any, as it may deem proper and prescribe, appoint a Successor Property Trustee or Successor Delaware Trustee, as the case may be.

(f) No Property Trustee or Delaware Trustee shall be liable for any act or omission to act of any Successor Property Trustee or Successor Delaware Trustee, as the case may be, and no Successor Property Trustee or Successor Delaware Trustee shall be liable for any act or omission to act of any Property Trustee or Delaware Trustee, as the case may be.

SECTION 5.8 Vacancies Among Trustees.  
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If a Trustee ceases to hold office for any reason and the number of Trustees is not reduced pursuant to Section 5.1, or if the number of Trustees is increased pursuant to Section 5.1, a vacancy shall occur. A resolution certifying the existence of such vacancy by the Administrative Trustees or, if there are more than two, a majority of the Administrative Trustees shall be conclusive evidence of the existence of such vacancy. The vacancy shall be filled with a Trustee appointed in accordance with Section 5.7.

SECTION 5.9 Effect of Vacancies.  
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The death, resignation, retirement, removal, bankruptcy, dissolution, liquidation, incompetence or incapacity to perform the duties of a Trustee shall not operate to dissolve, terminate or annul the Trust. Whenever a vacancy in the number of Administrative Trustees shall occur, until such vacancy is filled by the appointment of an Administrative Trustee in accordance with Section 5.7, the Administrative Trustees in office, regardless of their number, shall have all the powers granted to the Administrative Trustees and shall discharge all the duties imposed upon the Administrative Trustees by this Declaration.

SECTION 5.10 Meetings.  
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If there is more than one Administrative Trustee, meetings of the Administrative Trustees shall be held from time to time upon the call of any Administrative Trustee. Regular meetings of the Administrative Trustees may be held at a time and place fixed by resolution of the Administrative Trustees. Notice of any in-person meetings of the Administrative Trustees shall be hand delivered or otherwise delivered in writing (including by facsimile, with a hard copy by overnight courier) not less than 24 hours before such meeting. Notice of any telephonic meetings of the Administrative Trustees or any committee thereof shall be hand delivered or otherwise delivered in writing (including by facsimile, with a hard copy by overnight courier) not less than 24 hours before a meeting. Notices shall contain a brief statement of the time, place and anticipated purposes of the meeting. The presence (whether in person or by telephone) of an Administrative Trustee at a meeting shall constitute a waiver of notice of such meeting, except where an Administrative Trustee attends a meeting for the express purpose of objecting to the transaction of any activity on the ground that the meeting has not been lawfully called or convened. Unless otherwise provided in this Declaration, any action of the Administrative Trustees may be taken at a meeting, if a Quorum is present, by vote of a majority of the Administrative Trustees present (whether in person or by telephone) and eligible to vote with respect to such matter or may be taken without a meeting by the unanimous written consent of the Administrative Trustees. If there is only one Administrative Trustee, any and all action of that Administrative Trustee shall be evidenced by a written consent of such Administrative Trustee.

SECTION 5.11 Delegation of Power.  
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(a) Any Administrative Trustee may, by power of attorney consistent with applicable law, delegate to any other natural person over the age of 21 his or her power for the purpose of executing any documents contemplated in Section 3.6, including any registration statement or amendment thereto or other report or statement to be filed with the Commission and any filing to be made with any other governmental agency; and

(b) with respect to any matter over which the Administrative Trustees have power to act in accordance with the provisions of this Declaration or applicable law, the Administrative Trustees shall have power to delegate from time to time to such of their number or to officers of the Trust the doing of such things and the execution of such instruments, in the name of the Trust, the names of the Administrative Trustees or otherwise, as the Administrative Trustees may deem expedient.

SECTION 5.12 Merger, Conversion, Consolidation or Succession to Business.  
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Any Person into which the Property Trustee or the Delaware Trustee or any Administrative Trustee that is not a natural person, as the case may be, may be merged or converted or with which it may be consolidated, or any Person resulting from any merger, conversion or consolidation to which the Property Trustee, the Delaware Trustee or such Administrative Trustee, as the case may be, shall be a party, or any Person succeeding to all or substantially all the corporate trust business of the Property Trustee, the Delaware Trustee or such Administrative Trustee, as the case may be, shall be the successor of the Property Trustee,

the Delaware Trustee or such Administrative Trustee, as the case may be, hereunder (if such Person shall be otherwise qualified and eligible to act as such under this Article) without the execution or filing of any paper or any further act on the part of any of the parties hereto.

ARTICLE VI  
DISTRIBUTIONS

SECTION 6.1 Distributions.  
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Each Holder shall receive Distributions in accordance with the applicable terms of the relevant Securities held by such Holder as set forth herein and in Annex I. Except as set forth in any applicable redemption provisions of the relevant Securities, if and to the extent that the Debenture Issuer shall make a payment of interest (including Compounded Interest and Additional Sums, as such terms are defined in the Indenture), premium and/or principal on the Debentures held by the Property Trustee (the amount of any such payment being a "Payment Amount"), the Property Trustee shall, to the extent funds are available for that purpose, make a distribution (a "Distribution") of the Payment Amount to Holders pro rata according to the aggregate liquidation amount of the relevant Securities held by each Holder in relation to the aggregate liquidation amount of all the Securities outstanding for which the Payment Amount relates.

ARTICLE VII  
ISSUANCE OF SECURITIES

SECTION 7.1 General Provisions Regarding Securities.  
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(a) The Administrative Trustees shall on behalf of the Trust issue one class of preferred securities representing undivided beneficial interests in the assets of the Trust having the terms attributable thereto set forth in Annex I (the "Preferred Securities") and one class of common securities representing undivided beneficial interests in the assets of the Trust having the terms attributable thereto set forth in Annex I (the "Common Securities"). Annex I is hereby incorporated in and made a part of this Declaration. The Trust shall issue no securities or interests in the assets of the Trust other than the Trust Securities.

(b) The consideration received by the Trust for the issuance of the Securities shall constitute a contribution to the capital of the Trust and shall not constitute a loan to the Trust.

(c) Upon issuance of the Securities as provided in this Declaration, the Securities so issued shall be deemed to be validly issued, fully paid and non-assessable undivided beneficial interests in the assets of Trust.

(d) Every Person, by virtue of having become a Holder or a Preferred Security Beneficial Owner in accordance with the terms of this Declaration, shall be deemed to have expressly assented and agreed to the terms of, and shall be bound by, this Declaration.

(e) Holders of the Securities shall not have any preemptive or similar rights.

(f) At the Closing Date [and any Option Closing Time], an Administrative Trustee, on behalf of the Trust, shall subscribe to purchase from the Debenture Issuer, Debentures registered in the name of the Property Trustee or its nominee on behalf of the Trust and having an aggregate principal amount equal to the aggregate Liquidation Amount of both the Preferred Securities and Common Securities issued and sold on such date [or dates], and, in satisfaction of the purchase price for such Debentures, the Property Trustee, on behalf of the Trust, shall deliver to the Debenture Issuer the Gross Proceeds received on such date [or dates] from the sale by the Trust of the Preferred Securities and Common Securities issued on such date.

SECTION 7.2 Execution and Authentication.  
-----

(a) Certificates evidencing the Securities shall be signed on behalf of the Trust by an Administrative Trustee by manual or facsimile signature. In case any Administrative Trustee of the Trust who shall have signed any certificate evidencing any of the Securities shall cease to be such Administrative Trustee before the certificate so signed shall be delivered by the Trust, such certificate nevertheless may be delivered as though the Person who signed such certificate had not ceased to be such Administrative Trustee; any certificate evidencing any Securities may be signed on behalf of the Trust by such Persons who, at the actual date of execution of such certificate, shall be the Administrative Trustees of the Trust, although at the date of the execution and delivery of the Declaration any such Person was not such an Administrative Trustee.

(b) No certificate evidencing a Preferred Security shall be valid unless authenticated by the manual signature of an authorized signatory of the Property Trustee. The signature shall be conclusive evidence that the Preferred Security has been authenticated under this Declaration.

Upon a written order of the Trust signed by one Administrative Trustee, the Property Trustee shall authenticate the Preferred Securities for original issue. The aggregate number of Preferred Securities outstanding at any time shall not exceed the number set forth in Annex I hereto except as provided in Section 7.6.

The Property Trustee may appoint an authenticating agent acceptable to the Trust to authenticate Preferred Securities. An authenticating agent may authenticate Preferred Securities whenever the Property Trustee may do so. Each reference in this Declaration to authentication by the Property Trustee includes authentication by such agent. An authenticating agent has the same rights as the Property Trustee to deal with the Sponsor or an Affiliate.

SECTION 7.3 Form and Dating.  
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The Preferred Securities and the Property Trustee's certificate of authentication shall be substantially in the form of Exhibit A-1 and the Common Securities shall be substantially in the form of Exhibit A-2, each of which is hereby incorporated in and expressly made a part of this Declaration. Certificates representing the Securities may be printed, lithographed or engraved or may be produced in any other manner as is reasonably acceptable to the Administrative Trustees, as evidenced by their execution thereof by one or more of them. Certificates evidencing the Securities may have letters, CUSIP or other numbers, notations or other marks of identification or designation and such legends or endorsements required by law, rule of any stock exchange or other quotation system to which the Trust is subject, if any, or usage (provided that any such

notation, legend or endorsement is in a form acceptable to the Trust). The Trust at the direction of the Sponsor shall furnish any such legend not contained in Exhibit A-1 to the Property Trustee in writing. Each Preferred Security shall be dated the date of its authentication. The terms and provisions of the Securities set forth in Annex I and the forms of Securities set forth in Exhibits A-1 and A-2 are part of the terms of this Declaration and to the extent applicable, the Property Trustee and the Sponsor, by their execution and delivery of this Declaration, expressly agree to such terms and provisions and to be bound thereby.

(a) Global Securities. Preferred Securities issued by the Trust may be

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evidenced by one or more temporary or permanent global certificates in fully registered form without distribution coupons but with the appropriate global legends set forth in Exhibit A-1 hereto (the "Global Preferred Securities"), which shall be duly executed by the Trust and authenticated by the Property Trustee as hereinafter provided. The number of Preferred Securities represented by the Global Preferred Security may from time to time be increased or decreased by adjustments made on the records of the Property Trustee and the Clearing Agency or its nominee as hereinafter provided.

(b) Book-Entry Provisions. This Section 7.3(b) shall apply only to the

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Global Preferred Securities.

The Trust shall execute and the Property Trustee shall, in accordance with this Section 7.3, authenticate and make available for delivery initially one or more Global Preferred Securities that (i) shall be registered in the name of Cede & Co. or other nominee of such Clearing Agency and (ii) shall be delivered by the Trustee to such Clearing Agency or pursuant to such Clearing Agency's written instructions or held by the Property Trustee as custodian for the Clearing Agency.

Members of, or participants in, the Clearing Agency ("Participants") shall have no rights under this Declaration with respect to any Global Preferred Security held on their behalf by the Clearing Agency or by the Property Trustee as the custodian of the Clearing Agency or under such Global Preferred Security, and the Clearing Agency may be treated by the Trust, the Property Trustee and any agent of the Trust or the Property Trustee as the absolute owner of such Global Preferred Security for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Trust, the Property Trustee or any agent of the Trust or the Property Trustee from giving effect to any written certification, proxy or other authorization furnished by the Clearing Agency or impair, as between the Clearing Agency and its Participants, the operation of customary practices of such Clearing Agency governing the exercise of the rights of a holder of a beneficial interest in any Global Preferred Security.

(c) Definitive Preferred Securities. Except as provided in Section 7.9(b)

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or 9.2, owners of beneficial interests in a Global Preferred Security will not be entitled to receive physical delivery of certificated Preferred Securities. Preferred Securities not represented by a Global Preferred Security may be issued in the form of individual certificates in definitive, fully registered form without distribution coupons ("Definitive Preferred Securities").

(d) Authorized Denominations. The Preferred Securities are issuable only in

denominations of \$\_\_\_\_\_ and any integral multiple thereof.

SECTION 7.4 Registrar and Paying Agent [and Conversion Agent].

The Trust shall maintain in the Borough of Manhattan, The City of New York, (i) an office or agency where Preferred Securities may be presented for registration of transfer ("Registrar"), (ii) an office or agency where Preferred Securities may be presented for payment ("Paying Agent") [and (iii) an office or agency where securities may be presented for conversion or exchange (a "Conversion Agent.")]. The Registrar shall keep a register of the Preferred Securities and of their transfer. The Trust may appoint the Registrar [, and] Paying Agent [and Conversion Agent] and may appoint one or more co-registrars and one or more additional paying agents [or conversion agents] in such other locations as it shall determine. The term "Registrar" includes any additional registrar [, and] the term "Paying Agent" includes any additional paying agent [and the term "Conversion Agent" includes any additional conversion agent.]. The Trust may change any Paying Agent [, and] Registrar [or Conversion Agent] without prior notice to any Holder. The Paying Agent [,] [and] Registrar [and Conversion Agent] shall be permitted to resign as Paying Agent [,] [and] Registrar [and Conversion Agent] upon 30 days' written notice to the Property Trustee and the Sponsor. The Trust shall notify the Property Trustee of the name and address of any Agent not a party to this Declaration. If the Trust fails to appoint or maintain another entity as Registrar [, and] Paying Agent [or Conversion Agent], the Property Trustee shall act as such. The Trust or any of its Affiliates may act as Paying Agent [, and] Registrar [or Conversion Agent]. The Trust shall act as Paying Agent, Registrar [and Conversion Agent] for the Common Securities.

The Trust initially appoints [the Property Trustee] as Registrar, Paying Agent [and Conversion Agent] for the Preferred Securities.

The Registrar [, and] Paying Agent [and Conversion Agent] shall be entitled to all of the rights, protections, immunities and indemnities afforded to the Property Trustee hereunder.

SECTION 7.5 Paying Agent to Hold Money in Trust.

The Trust shall require each Paying Agent other than the Property Trustee to agree in writing that the Paying Agent will hold in trust for the benefit of Holders or the Property Trustee all money held by the Paying Agent for the payment of Liquidation Amounts or Distributions and will notify the Property Trustee if there are insufficient funds for such purpose. While any such insufficiency continues, the Property Trustee may require a Paying Agent to pay all money held by it to the Property Trustee. The Trust at any time may require a Paying Agent to pay all money held by it to the Property Trustee and to account for any money disbursed by it. Upon payment over to the Property Trustee, the Paying Agent (if other than the Trust or an Affiliate of the Trust) shall have no further liability for the money. If the Trust or the Sponsor or an Affiliate of the Trust or the Sponsor acts as Paying Agent, it shall segregate and hold in a separate trust fund for the benefit of the Holders all money held by it as Paying Agent.

SECTION 7.6 Replacement Securities.

If a Holder claims that a Security owned by it has been lost, destroyed or wrongfully taken or if such Security is mutilated and is surrendered to the Trust or in the case of the Preferred Securities to the Property Trustee, the Trust shall issue and, in the case of a Preferred Security, the Property Trustee shall, upon written order of the Trust, authenticate a replacement Security if the Trust's and, in the case of a Preferred Security, the Property Trustee's requirements, as the case may be, are met. An indemnity bond must be provided by the Holder that, in the judgment of the Property Trustee, is sufficient to protect the Trustees, the Sponsor, the Trust or any authenticating agent from any loss that any of them may suffer if a Security is replaced. The Trust may charge such Holder for its expenses in replacing a Security. Every replacement Security issued and authenticated in accordance with this Section 7.6 shall represent an undivided beneficial interest in the assets of the Trust.

SECTION 7.7      Outstanding Preferred Securities.  
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The Preferred Securities outstanding at any time are all the Preferred Securities authenticated by the Property Trustee except for those canceled by it, those delivered to it for cancellation, and those described in this Section as not outstanding.

If a Preferred Security is replaced pursuant to Section 7.6 hereof, it ceases to be outstanding unless the Property Trustee receives proof satisfactory to it that the replaced Preferred Security is held by a protected purchaser.

If Preferred Securities are considered paid in accordance with the terms of this Declaration, they cease to be outstanding and Distributions on them shall cease to accumulate.

A Preferred Security does not cease to be outstanding because one of the Trust, the Sponsor or an Affiliate of the Sponsor holds the Security.

SECTION 7.8      Preferred Securities in Treasury.  
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In determining whether the Holders of the required amount of Securities have concurred in any direction, waiver or consent, Preferred Securities owned by the Trust, the Sponsor or an Affiliate of the Sponsor, as the case may be, shall be disregarded and deemed not to be outstanding, except that for the purposes of determining whether the Property Trustee shall be fully protected in relying on any such direction, waiver or consent, only Securities which a Responsible Officer of the Property Trustee actually knows are so owned shall be so disregarded.

SECTION 7.9      Temporary Securities.  
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(a) Until Definitive Preferred Securities are ready for delivery, the Trust may prepare and the Property Trustee shall authenticate temporary Preferred Securities. Temporary Preferred Securities shall be substantially in the form of Definitive Preferred Securities but may have variations that the Trust considers appropriate for temporary Preferred Securities. Without unreasonable delay, the Trust shall prepare and the Property Trustee shall authenticate Definitive Preferred Securities in exchange for temporary Preferred Securities.

(b) A Global Preferred Security deposited with the Clearing Agency or with the Property Trustee as custodian for the Clearing Agency pursuant to Section 7.3 shall be

transferred to the beneficial owners thereof in the form of Definitive Preferred Securities only if such transfer complies with Section 9.2 and

(i) the Clearing Agency notifies the Sponsor that it is unwilling or unable to continue as Clearing Agency for such Global Preferred Security; or

(ii) at any time such Clearing Agency ceases to be a "clearing agency" registered under the Exchange Act and a clearing agency is not appointed by the Sponsor within 90 days of such notice; or

(iii) the Administrative Trustees, on behalf of the Trust, at their sole discretion elect to cause the issuance of Definitive Preferred Securities.

(c) Any Global Preferred Security that is transferable to the beneficial owners thereof in the form of Definitive Preferred Securities pursuant to this Section 7.9 shall be surrendered by the Clearing Agency to the Property Trustee to be so transferred, in whole or from time to time in part, without charge, and the Administrative Trustee shall prepare and the Property Trustee shall authenticate and make available for delivery, upon such transfer of each portion of such Global Preferred Security, an equal aggregate Liquidation Amount of Securities of authorized denominations in the form of Definitive Preferred Securities. Any portion of a Global Preferred Security transferred pursuant to this Section shall be registered in such names as the Clearing Agency shall direct.

(d) Subject to the provisions of Section 7.9(c), the Holder of a Global Preferred Security may grant proxies and otherwise authorize any Person, including Participants and Persons that may hold interests through Participants, to take any action that such Holder is entitled to take under this Declaration or the Securities.

(e) In the event of the occurrence of any of the events specified in Section 7.9(b), the Administrative Trustees on behalf of the Trust will promptly make available to the Property Trustee a reasonable supply of certificates evidencing Definitive Preferred Securities in fully registrable form without distribution coupons.

SECTION 7.10 Exchange.  
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(a) If at any time the Sponsor or any of its Affiliates (in either case, a "Sponsor Affiliated Holder") is the Holder of any Preferred Securities, such Sponsor Affiliated Holder shall have the right to tender to the Property Trustee all or such portion of the Preferred Securities held by it as it may elect (together with a proportionate amount of the outstanding Common Securities held by the Sponsor) and receive, in exchange therefor, a like amount of Debentures. Such election may be effected only on a date of Distribution. Such election shall be exercisable through delivery by such Sponsor Affiliated Holder to the Property Trustee of a written notice of such election specifying the Liquidation Amount of Preferred Securities and the Liquidation Amount of Common Securities with respect to which such election is being made and the date of Distribution on which such exchange shall occur, which Distribution date shall be not fewer than ten Business Days after the date of receipt by the Property Trustee of such election notice. The transfer of Debentures in exchange for such Preferred and Common Securities shall be conditioned upon delivery by or on behalf of such Sponsor Affiliated Holder

to the Property Trustee or its designee of the Preferred and Common Securities that are the subject of such election by 10:00 A.M. New York time, on the date of Distribution on which such exchange is to occur.

(b) For the purposes of this Section, a proportionate amount of outstanding Common Securities shall mean Common Securities having an aggregate liquidation amount bearing the same ratio to the aggregate liquidation amount of all the outstanding Common Securities as the aggregate liquidation amount of the Preferred Securities that the Sponsor Affiliated Holder proposes to exchange bears to the aggregate liquidation amount of all the Preferred Securities outstanding immediately prior to the exchange.

(c) In an exchange described in subsection (a) of this Section, the Trust will, on the date of such exchange, cause the trustee under the Indenture to register for transfer from the Trust to the Sponsor Affiliated Holder, authenticate and deliver to the Sponsor Affiliated Holder Debentures having a principal amount equal to the sum of (i) the aggregate Liquidation Amount of the outstanding Preferred Securities tendered in such exchange and (ii) the aggregate Liquidation Amount of the Common Securities tendered in the exchange; provided, that the Sponsor Affiliated Holder delivers or causes to be delivered to the Property Trustee or its designee the required amount of Preferred Securities and Common Securities to be exchanged by 10:00 A.M. New York time, on the date of Distribution on which such exchange is to occur.

(d) After the exchange, the exchanged Preferred Securities and Common Securities shall be canceled and shall no longer be deemed to be outstanding and all rights of the Sponsor or its Affiliates with respect to such Preferred Securities and Common Securities shall cease.

SECTION 7.11 Cancellation.  
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The Trust at any time may deliver Preferred Securities to the Property Trustee for cancellation. The Registrar and the Paying Agent shall deliver to the Property Trustee any Preferred Securities surrendered to them for registration of transfer, redemption, exchange, payment or replacement. The Property Trustee shall promptly cancel all Preferred Securities surrendered for registration of transfer, redemption, exchange, payment, replacement or cancellation and shall dispose of canceled Preferred Securities in accordance with its customary procedures unless the Trust otherwise directs. Except with respect to Preferred Securities surrendered for registration of transfer or replacement, the Trust may not issue new Preferred Securities in lieu of Preferred Securities that it has paid or redeemed or that it has otherwise acquired and delivered to the Property Trustee for cancellation.

SECTION 7.12 CUSIP Numbers.  
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The Trust in issuing the Preferred Securities may use "CUSIP" numbers (if then generally in use), and, if so, the Property Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Holders of Preferred Securities; provided, however, that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Preferred Securities or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Preferred Securities, and any such redemption shall not be affected by any defect in or omission of such

numbers. The Sponsor will promptly notify the Property Trustee of any change in the CUSIP numbers.

ARTICLE VIII  
DISSOLUTION OF TRUST

SECTION 8.1 Dissolution of Trust.  
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(a) The Trust shall automatically dissolve upon the occurrence of any of the following events (an "Event of Dissolution"):

(i) the bankruptcy of the Sponsor;

(ii) the filing of a certificate of dissolution or liquidation or its equivalent with respect to the Sponsor, or the revocation of the Sponsor's charter and the expiration of 90 days after the date of revocation without a reinstatement thereof;

(iii) delivery by the Sponsor, in its sole discretion, to each of the Trustees, while the Debentures are outstanding, of a written direction requiring the Trustees to dissolve the Trust, to wind up its affairs by satisfying the liabilities of the Trust to its creditors and distributing a Like Amount of the Debentures to Holders of the Securities pursuant to the terms thereof and to cancel the certificate of trust of the Trust;

(iv) the entry of a decree of judicial dissolution of the Trust by a court of competent jurisdiction;

(v) payment to the Holders in accordance with the terms of the Securities of all amounts necessary for the redemption of all of the Securities;

(vi) the expiration of the term of the Trust provided in Section 3.14;  
[or]

(vii) [distribution of the Sponsor's [other securities] to all Holders of Securities upon the full and complete conversion or exchange of all such Securities in accordance with the terms thereof].

(b) As soon as is practicable after the occurrence of an Event of Dissolution, the Administrative Trustees shall wind up the Trust's affairs and, upon completion thereof, shall execute and file a certificate of cancellation with the Secretary of State of the State of Delaware in accordance with the provisions of the Business Trust Act.

(c) In the course of winding up the Trust's affairs, the Administrative Trustees shall be entitled and empowered, in the name of, and for and on behalf of the Trust, to prosecute and defend suits, whether civil, criminal or administrative, to settle gradually and to close the business of the Trust, to dispose of and to convey the property of the Trust, to discharge or to make reasonable provision for the liabilities of the Trust and to distribute to the Holders of the Securities any remaining assets of the Trust.

(d) The provisions of Section 3.9 and Article X shall survive the termination of the Trust.

ARTICLE IX  
TRANSFER OF INTERESTS

SECTION 9.1      Transfer of Securities.  
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(a) Securities may be transferred, in whole or in part, only in accordance with the terms and conditions set forth in this Declaration and in the terms of the Securities. To the fullest extent permitted by law, any transfer or purported transfer of any Security not made in accordance with this Declaration shall be null and void.

(b) The Administrative Trustees shall provide for the registration of Securities and of the transfer of Securities. Upon surrender for registration of transfer of any Securities, the Administrative Trustees shall cause one or more new Securities to be issued in the name of the designated transferee or transferees. Every Security surrendered for registration of transfer shall be accompanied by a written instrument of transfer in form satisfactory to the Administrative Trustees and the Registrar, duly executed by the Holder or such Holder's attorney thereunto duly authorized in writing. Each Security surrendered for registration of transfer shall be canceled by the Property Trustee. A transferee of a Security shall be entitled to the rights and subject to the obligations of a Holder hereunder upon the receipt by such transferee of a Security. By acceptance of a Security, each transferee shall be deemed to have agreed to be bound by this Declaration. Registration of transfer of Securities shall be effected without charge except for payment (with such indemnity as the Administrative Trustees may require) in respect of any tax or other governmental charges, including any stamp tax, that may be imposed in connection with the transfer of Securities.

(c) For so long as the Trust Securities remain outstanding, the Sponsor agrees:

(i) to maintain 100% direct or indirect ownership of the Common Securities; provided, however, that any permitted successor of the Sponsor under the Indenture may succeed to the Sponsor's ownership of such Common Securities,

(ii) to use its reasonable efforts to cause the Trust (x) to remain a business trust, except in connection with the distribution of Debentures to the Holders of Securities in dissolution and liquidation of the Trust, the redemption of all of the Securities and certain mergers, conversions, consolidations or amalgamations, each as permitted by this Declaration, and (y) to otherwise continue to be classified as a grantor trust for United States federal income tax purposes, and

(iii) to use its reasonable efforts to cause each Holder of Trust Securities to be treated as owning an undivided beneficial interest in the Debentures.

SECTION 9.2      Transfer Procedures and Restrictions.  
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(a) When (i) Definitive Preferred Securities are presented to the Registrar or co-Registrar for registration of the transfer thereof or (ii) the Registrar or co-Registrar is requested to replace Definitive Preferred Securities that have been mutilated, destroyed, defaced, stolen or lost, the Registrar or co-Registrar shall register the transfer or effect the replacement as requested if the requirements set forth herein, including the requirement that the Definitive Preferred Securities surrendered for registration of transfer shall be duly endorsed or accompanied by a written instrument of transfer in form reasonably satisfactory to the Administrative Trustees and the Registrar or co-Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing, and the reasonable requirements of the Administrative Trustees for such transaction are met.

(b) A Definitive Preferred Security may not be exchanged for a beneficial interest in a Global Preferred Security except upon satisfaction of the requirements set forth below. Upon receipt by the Property Trustee of a Definitive Preferred Security, duly endorsed or accompanied by appropriate instruments of transfer, in form satisfactory to the Property Trustee and the Administrative Trustees, together with written instructions directing the Property Trustee to make, or to direct the Clearing Agency to make, an adjustment on its books and records with respect to the appropriate Global Preferred Security to reflect an increase in the number of the Preferred Securities represented by such Global Preferred Security, then the Property Trustee shall cancel such Definitive Preferred Security and cause, or direct the Clearing Agency to cause, the aggregate number of Preferred Securities represented by the appropriate Global Preferred Security to be increased accordingly. Concurrently, the Property Trustee shall request the direct or indirect participant in the Clearing Agency to reflect on its books the beneficial ownership of such Preferred Security by the former Holder of the Definitive Preferred Security. If no Global Preferred Securities are then outstanding, the Trust shall issue and the Property Trustee shall authenticate, upon written order of any Administrative Trustee, an appropriate number of Preferred Securities in global form.

(c) The transfer and exchange of Global Preferred Securities or beneficial interests therein shall be effected through the Clearing Agency in accordance with this Declaration (including applicable restrictions on transfer set forth herein, if any) and the procedures of the Clearing Agency therefor. Notwithstanding any other provisions of this Declaration (other than the provisions set forth in Section 7.9(b)), a Global Preferred Security may not be transferred as a whole except by the Clearing Agency to a nominee of the Clearing Agency or another nominee of the Clearing Agency or by the Clearing Agency or any such nominee to a successor Clearing Agency or a nominee of such successor Clearing Agency.

(d) At such time as all beneficial interests in a Global Preferred Security have either been exchanged for Definitive Preferred Securities to the extent permitted by this Declaration or been redeemed, repurchased or canceled in accordance with the terms of this Declaration, such Global Preferred Security shall be canceled by the Property Trustee. If any beneficial interest in a Global Preferred Security is, at any time prior to such cancellation, exchanged for Definitive Preferred Securities, Preferred Securities represented by such Global Preferred Security shall be reduced and an adjustment shall be made on the books and records of the Clearing Agency and the Registrar to reflect such reduction.

(e) Definitive Preferred Securities will be issued in exchange for Global Securities only as provided in subsections (b) and (c) of Section 7.9.

SECTION 9.3 Deemed Security Holders.  
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The Trustees may treat the Person in whose name any Security shall be registered on the books and records of the Trust as the sole owner of such Security for purposes of receiving Distributions and for all other purposes whatsoever and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such Security on the part of any Person, whether or not the Trust shall have actual or other notice thereof.

SECTION 9.4 Book Entry Interests.  
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Global Preferred Securities shall initially be registered on the books and records of the Trust in the name of Cede & Co., the nominee of the Clearing Agency, and no Preferred Security Beneficial Owner will receive a certificate representing such Preferred Security Beneficial Owner's interests in such Global Preferred Securities, except as provided in Section 9.2 and Section 7.9. Unless and until certificates evidencing fully registered Definitive Preferred Securities have been issued to the Preferred Security Beneficial Owners pursuant to Sections 9.2 and Section 7.9:

(a) the provisions of this Section 9.4 shall govern the interests of the Preferred Security Beneficial Owners in Global Preferred Securities;

(b) the Holder of the Preferred Securities and the sole holder of the certificate or certificates representing Global Preferred Securities shall be the Clearing Agency for all purposes of this Declaration (including the payment of Distributions on the Global Preferred Securities and receiving approvals, votes or consents hereunder) and neither the Trust nor any of the Trustees shall have any obligation to the Preferred Security Beneficial Owners;

(c) the rights of the Preferred Security Beneficial Owners shall be exercised only through the Clearing Agency and shall be limited to those established by law and agreements between such Preferred Security Beneficial Owners and the Clearing Agency or the Participants; in that regard, the Trust and the Trustees may rely on the obligations of the Clearing Agency under law and such applicable agreements, in making payments of Distributions on Securities to the Clearing Agency for the benefit of the Preferred Security Beneficial Owners and in honoring the written instructions of the Clearing Agency with respect to the voting of the Preferred Securities; provided, however, that, solely for the purposes of determining whether the Holders of the requisite amount of Preferred Securities have voted on any matter provided for in this Declaration and for so long as Definitive Preferred Security certificates have not been issued, the Trustees may conclusively rely on, and shall be protected in relying on, any written instrument (including a proxy) delivered to the Trustees by the Clearing Agency setting forth the votes of the Preferred Security Beneficial Owners or assigning the right to vote on any matter to any other Persons, either in whole or in part;

(d) the Clearing Agency will make book entry transfers among the Participants; and

(e) to the extent that the provisions of this Section 9.4 conflict with any other provisions of this Declaration, the provisions of this Section 9.4 shall control.

SECTION 9.5 Notices to Clearing Agency.  
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Whenever a notice or other communication to the Preferred Security Holders is required under this Declaration, the Trustees shall give all such notices and communications specified herein to be given to the Holders of Global Preferred Securities to the Clearing Agency, and shall have no obligation to provide any notice, written or otherwise, to the Preferred Security Beneficial Owners.

SECTION 9.6 Appointment of Successor Clearing Agency.  
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If any Clearing Agency elects to discontinue its services as securities depository with respect to the Preferred Securities, the Administrative Trustees may, in their sole discretion, appoint a successor Clearing Agency with respect to such Preferred Securities.

ARTICLE X  
LIMITATION OF LIABILITY OF  
HOLDERS OF SECURITIES, TRUSTEES OR OTHERS

SECTION 10.1 Liability.  
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(a) Except as expressly set forth in this Declaration, the Securities Guarantees and the terms of the Securities, the Sponsor shall not be:

(i) personally liable for the return of any portion of the capital contributions to the Trust (or any return thereon) by the Holders, any such return being solely the obligation of the Trust to be made solely from assets of the Trust; or

(ii) required to pay to the Trust or to any Holder any deficit upon dissolution or termination of the Trust or otherwise.

(b) The Debenture Issuer shall be liable for all of the debts and obligations of the Trust (other than in respect of the payment of principal, interest and premium, if any, on the Securities) to the extent not satisfied out of the Trust's assets.

(c) Pursuant to ss.3803(a) of the Business Trust Act, the Holders shall be entitled to the same limitation of personal liability extended to stockholders of private corporations for profit organized under the General Corporation Law of the State of Delaware.

SECTION 10.2 Exculpation.  
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(a) No Indemnified Person shall be liable, responsible or accountable in damages or otherwise to the Trust or any Covered Person for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Indemnified Person in good faith on behalf of the Trust and in a manner such Indemnified Person reasonably believed to be within the scope of the authority conferred on such Indemnified Person by this Declaration or by law, except that an

Indemnified Person shall be liable for any such loss, damage or claim incurred by reason of such Indemnified Person's gross negligence (or, in the case of the Property Trustee, negligence) or willful misconduct with respect to such acts or omissions.

(b) An Indemnified Person shall be fully protected in relying in good faith upon the records of the Trust and upon such information, opinions, reports or statements presented to the Trust by any Person, who has been selected with reasonable care by or on behalf of the Trust, as to matters that the Indemnified Person reasonably believes are within such other Person's professional or expert competence, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits, losses and any other facts pertinent to the existence and amount of assets from which Distributions to Holders might properly be paid.

SECTION 10.3    Fiduciary Duty.  
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(a) To the extent that, at law or in equity, an Indemnified Person has duties (including fiduciary duties) and liabilities relating thereto to the Trust or to any other Covered Person, an Indemnified Person acting under this Declaration shall not be liable to the Trust or to any other Covered Person for its good faith reliance on the provisions of this Declaration. The provisions of this Declaration, to the extent that they limit the duties and liabilities of an Indemnified Person otherwise existing at law or in equity (other than the duties imposed on the Property Trustee under the Trust Indenture Act), are agreed by the parties hereto to replace such other duties and liabilities of such Indemnified Person.

(b) Unless otherwise expressly provided herein:

(i) whenever a conflict of interest exists or arises between any Covered Person and any Indemnified Person; or

(ii) whenever this Declaration or any other agreement contemplated herein provides that an Indemnified Person shall act in a manner that is, or engage in a transaction on terms that are, fair and reasonable to the Trust or any Holder of Securities,

the Indemnified Person shall resolve such conflict of interest, take such action or engage in such transaction only after considering in each case the relative interest of each party (including its own interest) involved in such conflict, action or transaction and the benefits and burdens relating to such interests, any customary or accepted industry practices and any applicable generally accepted accounting practices or principles. In the absence of bad faith by the Indemnified Person, the resolution, action or transaction so made, taken or engaged in by the Indemnified Person shall not constitute a breach of this Declaration or any other agreement contemplated herein or of any duty or obligation of the Indemnified Person at law or in equity or otherwise.

(c) Whenever in this Declaration an Indemnified Person is permitted or required to make a decision:

(i) in its "discretion" or under a grant of similar authority, the Indemnified Person shall be entitled to consider such interests and factors as it desires, including its own interests, and shall have no duty or obligation to give any consideration to any interest of or factors affecting the Trust or any other Person; or

(ii) in its "good faith" or under another express standard, the Indemnified Person shall act under such express standard and shall not be subject to any other or different standard imposed by this Declaration.

SECTION 10.4 Indemnification.  
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(a) (i) The Debenture Issuer shall indemnify, to the full extent permitted by law, any Company Indemnified Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Trust) by reason of the fact that he is or was a Company Indemnified Person against expenses (including attorneys' fees and expenses), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding except that no Company Indemnified Person shall be indemnified for his own gross negligence or willful misconduct. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the Company Indemnified Person acted with gross negligence or willful misconduct.

(ii) The Debenture Issuer shall indemnify, to the full extent permitted by law, any Company Indemnified Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Trust to procure a judgment in its favor by reason of the fact that he is or was a Company Indemnified Person against expenses (including attorneys' fees and expenses) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit except that no Company Indemnified Party shall be indemnified for such Company Indemnified Party's own gross negligence or willful misconduct and except that no such indemnification shall be made in respect of any claim, issue or matter as to which such Company Indemnified Person shall have been adjudged to be liable to the Trust unless and only to the extent that the Court of Chancery of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such Person is fairly and reasonably entitled to indemnity for such expenses which such Court of Chancery or such other court shall deem proper.

(iii) To the extent that a Company Indemnified Person shall be successful on the merits or otherwise (including dismissal of an action without prejudice or the settlement of an action without admission of liability) in defense of any action, suit or proceeding referred to in paragraph (i) or (ii) of this Section 10.4(a), or in the defense of any claim, issue or matter therein, he shall be indemnified, to the full extent permitted by law, against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

(iv) Any indemnification under paragraph (i) or (ii) of this Section 10.4(a) (unless ordered by a court) shall be made by the Debenture Issuer only as authorized in the specific case upon a determination that indemnification of the Company Indemnified Person is proper in the circumstances because he has met the applicable standard of conduct set forth in paragraph (i) or (ii), as applicable. Such determination shall be made (1) by the Administrative Trustees by a majority vote of a Quorum consisting of such Administrative Trustees who were not parties to such action, suit or proceeding, (2) if such a Quorum is not obtainable, or, even if

obtainable, if a Quorum of disinterested Administrative Trustees so directs, by independent legal counsel in a written opinion or (3) by the Common Security Holder of the Trust.

(v) Expenses (including attorneys' fees and expenses) incurred by a Company Indemnified Person in defending a civil, criminal, administrative or investigative action, suit or proceeding referred to in paragraph (i) or (ii) of this Section 10.4(a) shall, to the fullest extent permitted by law, be paid by the Debenture Issuer substantially as incurred in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such Company Indemnified Person to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Debenture Issuer as authorized in this subsection (a). Notwithstanding the foregoing, no advance shall be made by the Debenture Issuer if a determination is reasonably and promptly made (i) by the Administrative Trustees by a majority vote of a Quorum of disinterested Administrative Trustees, (ii) if such a Quorum is not obtainable, or, even if obtainable, if a Quorum of disinterested Administrative Trustees so directs, by independent legal counsel in a written opinion or (iii) by the Common Security Holder of the Trust, that, based upon the facts known to the Administrative Trustees, counsel or the Common Security Holder at the time such determination is made, such Company Indemnified Person acted with gross negligence or willful misconduct. In no event shall any advance be made in instances where the Administrative Trustees, independent legal counsel or Common Security Holder reasonably determines that such Person deliberately breached his duty to the Trust or its Common or Preferred Security Holders.

(vi) The indemnification and advancement of expenses provided by, or granted pursuant to, the other paragraphs of this subsection (a) shall not be deemed exclusive of any other rights to which those seeking indemnification and advancement of expenses may be entitled under any agreement, vote of stockholders or disinterested directors of the Debenture Issuer or Preferred Security Holders of the Trust or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. All rights to indemnification under this subsection shall be deemed to be provided by a contract between the Debenture Issuer and each Company Indemnified Person who serves in such capacity at any time while this subsection (a) is in effect. Any repeal or modification of this subsection (a) shall not affect any rights or obligations then existing.

(vii) The Debenture Issuer or the Trust may purchase and maintain insurance on behalf of any Person who is or was a Company Indemnified Person against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Debenture Issuer would have the power to indemnify him against such liability under the provisions of this subsection (a).

(viii) For purposes of this subsection (a), references to "the Trust" shall include, in addition to the resulting or surviving entity, any constituent entity (including any constituent of a constituent) absorbed in a consolidation or merger, so that any person who is or was a director, trustee, officer, employee or agent of such constituent entity, or is or was serving at the request of such constituent entity as a director, trustee, officer, employee or agent of another entity, shall stand in the same position under the provisions of this subsection (a) with respect to the resulting or surviving entity as he would have with respect to such constituent entity if its separate existence had continued.

(ix) The indemnification and advancement of expenses provided by, or granted pursuant to, this subsection (a) shall, unless otherwise provided when authorized or ratified, continue as to a Person who has ceased to be a Company Indemnified Person and shall inure to the benefit of the heirs, executors and administrators of such a Person.

(b) The Debenture Issuer agrees to indemnify the (i) Property Trustee, (ii) the Delaware Trustee, (iii) any Affiliate of the Property Trustee or the Delaware Trustee, and (iv) any officers, directors, shareholders, members, partners, employees, representatives, custodians, nominees or agents of the Property Trustee or the Delaware Trustee (each of the Persons in clauses (i) to (iv), inclusive, being referred to as a "Fiduciary Indemnified Person") for, and to hold each Fiduciary Indemnified Person harmless against, any and all loss, liability, damage, claim or expense including taxes (other than taxes based on the income of such Fiduciary Indemnified Person) incurred without gross negligence (or, in the case of the Property Trustee, negligence) or willful misconduct on its part, arising out of or in connection with the acceptance or administration of the trust or trusts hereunder, including the costs and expenses (including reasonable legal fees and expenses) of defending itself against or investigating any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder. The provisions of this subsection (b) shall survive the resignation or removal of the Property Trustee or the Delaware Trustee and the satisfaction and discharge of this Declaration.

SECTION 10.5    Outside Businesses.  
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Any Covered Person, the Sponsor, the Delaware Trustee and the Property Trustee (subject to subsection (c) of Section 5.3) may engage in or possess an interest in other business ventures of any nature or description, independently or with others, similar or dissimilar to the business of the Trust, and the Trust and the Holders shall have no rights by virtue of this Declaration in and to such independent ventures or the income or profits derived therefrom, and the pursuit of any such venture, even if competitive with the business of the Trust, shall not be deemed wrongful or improper. None of any Covered Person, the Sponsor, the Delaware Trustee, and the Property Trustee shall be obligated to present any particular investment or other opportunity to the Trust even if such opportunity is of a character that, if presented to the Trust, could be taken by the Trust, and any Covered Person, the Sponsor, the Delaware Trustee and the Property Trustee shall have the right to take for its own account (individually or as a partner or fiduciary) or to recommend to others any such particular investment or other opportunity. Any Covered Person, the Delaware Trustee and the Property Trustee may engage or be interested in any financial or other transaction with the Sponsor or any Affiliate of the Sponsor, or may act as depository for, trustee or agent for, or act on any committee or body of holders of, securities or other obligations of the Sponsor or its Affiliates.

SECTION 10.6    Compensation; Fees.  
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The Debenture Issuer agrees:

(a) to pay to the Trustees from time to time such compensation for all services rendered by them hereunder as the parties shall agree in writing from time to time (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust); and

(b) except as otherwise expressly provided herein, to reimburse the Trustees upon request for all reasonable expenses, disbursements and advances incurred or made by the Trustees in accordance with any provision of this Declaration (including the reasonable compensation and the expenses and disbursements of their respective agents and counsel), except any such expense, disbursement or advance as may be attributable to its gross negligence (or, in the case of the property trustee, negligence) or willful misconduct.

The provisions of this Section 10.6 shall survive the dissolution of the Trust and the termination of this Declaration and the removal or resignation of any Trustee.

No Trustee may claim any lien or charge on any property of the Trust as a result of any amount due pursuant to this Section 10.6.

ARTICLE XI  
ACCOUNTING

SECTION 11.1 Fiscal Year.  
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The fiscal year ("Fiscal Year") of the Trust shall be the calendar year or such other year as is required by the Code.

SECTION 11.2 Certain Accounting Matters.  
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(a) At all times during the existence of the Trust, the Administrative Trustees shall keep, or cause to be kept, full books of account, records and supporting documents, which shall reflect in reasonable detail, each transaction of the Trust. The books of account shall be maintained on the accrual method of accounting in accordance with generally accepted accounting principles consistently applied. The books of account and the records of the Trust shall be examined by and reported upon as of the end of each Fiscal Year of the Trust by a firm of independent certified public accountants selected by the Administrative Trustees.

(b) The Administrative Trustees shall cause to be duly prepared and delivered to each of the Holders any annual United States federal income tax information statement required by the Code, containing such information with regard to the Securities held by each Holder as is required by the Code and the Treasury Regulations. Notwithstanding any right under the Code to deliver any such statement at a later date, the Administrative Trustees shall endeavor to deliver all such information statements within 30 days after the end of each Fiscal Year of the Trust.

(c) The Administrative Trustees shall cause to be duly prepared and filed with the appropriate taxing authority an annual United States federal income tax return on Form 1041 or such other form required by United States federal income tax law, and any other annual income tax returns required to be filed by the Administrative Trustees on behalf of the Trust with any state or local taxing authority.

SECTION 11.3 Banking.  
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The Trust may maintain one or more bank accounts in the name and for the sole benefit of the Trust; provided, however, that all payments of funds in respect of the Debentures held by

the Property Trustee shall be made directly to the Property Trustee Account and no other funds of the Trust shall be deposited in the Property Trustee Account. The sole signatories for such accounts shall be designated by the Administrative Trustees, except that the Property Trustee shall designate the signatories for the Property Trustee Account.

SECTION 11.4     Withholding.  
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The Trust and the Administrative Trustees shall comply with all withholding requirements under United States federal, state and local law. The Trust shall request, and the Holders shall provide to the Trust, such forms or certificates as are necessary to establish an exemption from withholding with respect to each Holder, and any representations and forms as shall reasonably be requested by the Trust to assist it in determining the extent of, and in fulfilling, its withholding obligations. The Administrative Trustees shall file required forms with applicable jurisdictions and, unless an exemption from withholding is properly established by a Holder, shall remit amounts withheld with respect to the Holder to applicable jurisdictions. To the extent that the Trust is required to withhold and pay over any amounts to any authority with respect to Distributions or allocations to any Holder, the amount withheld shall be deemed to be a Distribution in the amount of the withholding to the Holder. In the event of any claimed over withholding, Holders shall be limited to an action against the applicable jurisdiction. If the amount required to be withheld was not withheld from actual Distributions made, the Trust may reduce subsequent Distributions by the amount of such withholding.

ARTICLE XII  
AMENDMENTS AND MEETINGS

SECTION 12.1     Amendments.  
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(a) Except as otherwise provided in this Declaration (including Section 8 of Annex I hereto) or by any applicable terms of the Securities, this Declaration may only be amended by a written instrument approved and executed by the Administrative Trustees (or, if there are more than two Administrative Trustees, a majority of the Administrative Trustees); and

(i) if the amendment affects the rights, powers, duties, obligations or immunities of the Property Trustee, also by the Property Trustee; and

(ii) if the amendment affects the rights, powers, duties, obligations or immunities of the Delaware Trustee, also by the Delaware Trustee.

(b) No amendment shall be made, and any such purported amendment shall be void and ineffective, unless the Property Trustee shall have first received: (A) an Officers' Certificate from each of the Trust and the Sponsor that such amendment is permitted by, and conforms to, the terms of this Declaration (including the terms of the Securities); and (B) an Opinion of Counsel (who may be counsel to the Sponsor or the Trust) that such amendment is permitted by, and conforms to, the terms of this Declaration (including the terms of the Securities) and that all conditions precedent, if any, in this Declaration to the execution and delivery of such amendment have been satisfied.

(c) At such time after the Trust has issued any Securities that remain outstanding, any amendment that would adversely affect the rights, privileges or preferences of any Holder may be effected only with such additional requirements as may be set forth in the terms of such Securities.

(d) Except as provided in subsection (f) of this Section 12.1, this Section 12.1 shall not be amended without the consent of all of the Holders.

(e) Article Four shall not be amended without the consent of the Holders of a Majority in Liquidation Amount of the Common Securities.

(f) The rights of the Holders of the Common Securities under Article Five to increase or decrease the number of, and appoint and remove Trustees shall not be amended without the consent of the Holders of a Majority in Liquidation Amount of the Common Securities.

(g) This Declaration may be amended without the consent of the Holders:

(i) to cure any ambiguity, to correct or to supplement any provision in this Declaration that may be inconsistent with any other provision of this Declaration or to make any other provisions with respect to matters or questions arising under this Declaration that shall not be inconsistent with the other provisions of the Declaration;

(ii) to modify, to eliminate or to add to any provisions of the Declaration to such extent as shall be necessary to ensure that the Trust will be classified for United States federal income tax purposes as a grantor trust at all times that any Securities are outstanding or to ensure that the Trust will not be required to register as an Investment Company under the Investment Company Act;

(iii) to evidence, pursuant to Section 5.7 hereof, the acceptance of the appointment of a successor Trustee or to fill a vacancy created by an increase in the number of Administrative Trustees; or

(iv) to add to the covenants, restrictions or obligations of the Sponsor;

provided, however, that in the case of paragraph (i) or (ii) above, such action shall not adversely affect in any material respect the interests of the Holders, and any such amendments of this Declaration shall become effective when notice thereof is given to the Holders.

SECTION 12.2 Meetings of the Holders; Action by Written Consent.  
-----

(a) Meetings of the Holders of any class of Securities may be called at any time by the Administrative Trustees (or as provided in the terms of the Securities) to consider and act on any matter on which Holders of such class of Securities are entitled to act under the terms of this Declaration, the terms of the Securities or the rules of any stock exchange or other quotation system on which the Preferred Securities are listed or admitted for trading or quotation. The Administrative Trustees shall call a meeting of the Holders of such class if directed to do so by the Holders of at least 25% in Liquidation Amount of such class of Securities. Such direction shall be given by delivering to the Administrative Trustees one or more notices in writing stating

that the signing Holders wish to call a meeting and indicating the general or specific purpose for which the meeting is to be called; provided, however, that, for purposes of determining pursuant to the immediately preceding sentence whether notices in writing have been given by 25% in Liquidation Amount of such class of Securities, only those notices given within any period of sixty (60) days may be aggregated and, provided, further, that any Holders calling a meeting shall specify in writing the Security certificates held by the Holders exercising the right to call a meeting and only those Securities specified shall be counted for purposes of determining whether notices in writing have been given by 25% in Liquidation Amount of such class of Securities.

(b) Except to the extent otherwise provided in the terms of the Securities or, in the case of the Preferred Securities, by the rules of any stock exchange or other quotation system on which the Preferred Securities are listed or admitted for trading or quotation, the following provisions shall apply to meetings of Holders:

(i) notice of any such meeting shall be given to all the Holders having a right to vote thereat at least seven days and not more than 60 days before the date of such meeting. Whenever a vote, consent or approval of the Holders is permitted or required under this Declaration or the rules of any stock exchange or other quotation system on which the Preferred Securities are listed or admitted for trading or quotation, such vote, consent or approval may be given at a meeting of the Holders. Any action that may be taken at a meeting of the Holders may be taken without a meeting and without prior notice if a consent in writing setting forth the action so taken is signed by the Holders owning not less than the minimum amount of Securities in Liquidation Amount that would be necessary to authorize or take such action at a meeting at which all Holders having a right to vote thereon were present and voting. Prompt notice of the taking of action without a meeting shall be given to the Holders entitled to vote who have not consented in writing. The Administrative Trustees may specify that any written consent submitted to the Security Holders for the purpose of taking any action without a meeting shall be returned to the Trust within the time specified by the Administrative Trustees;

(ii) each Holder may authorize any Person to act for it by proxy on all matters in which a Holder is entitled to participate, including waiving notice of any meeting, or voting or participating at a meeting. Other than any proxy coupled with an interest, no proxy shall be valid after the expiration of 11 months from the date thereof unless otherwise provided in the proxy and every proxy shall be revocable at the pleasure of the Holder executing it. Except as otherwise provided herein, all matters relating to the giving, voting or validity of proxies shall be governed by the General Corporation Law of the State of Delaware relating to proxies, and judicial interpretations thereunder, as if the Trust were a Delaware corporation and the Holders were stockholders of a Delaware corporation;

(iii) each meeting of the Holders shall be conducted by the Administrative Trustees or by such other Person that the Administrative Trustees may designate; and

(iv) unless otherwise provided by the Business Trust Act, this Declaration, the terms of the Securities, the Trust Indenture Act or the rules of any stock exchange or other quotation system on which the Preferred Securities are then listed for trading or quotation, the Administrative Trustees, in their sole discretion, shall establish all other provisions relating to meetings of Holders, including notice of the time, place or purpose of any meeting at which any

matter is to be voted on by any Holders, waiver of any such notice, action by consent without a meeting, the establishment of a record date, quorum requirements, voting in Person or by proxy or any other matter with respect to the exercise of any such right to vote.

ARTICLE XIII  
REPRESENTATIONS OF PROPERTY TRUSTEE  
AND DELAWARE TRUSTEE

SECTION 13.1    Representations and Warranties of Property Trustee.  
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The Trustee that acts as initial Property Trustee represents and warrants to the Trust and to the Sponsor at the date of this Declaration, and each Successor Property Trustee represents and warrants to the Trust and the Sponsor at the time of the Successor Property Trustee's acceptance of its appointment as Property Trustee that:

(a) the Property Trustee is a national banking association or a bank or trust company organized under the laws of any State of the United States or the District of Columbia, duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, in any case with trust powers and authority to execute and deliver, and to carry out and perform its obligations under the terms of, this Declaration;

(b) the execution, delivery and performance by the Property Trustee of this Declaration has been duly authorized by all necessary corporate action on the part of the Property Trustee. This Declaration has been duly executed and delivered by the Property Trustee and constitutes a legal, valid and binding obligation of the Property Trustee, enforceable against it in accordance with its terms, subject to applicable bankruptcy, reorganization, moratorium, insolvency and other similar laws affecting creditors' rights generally and to general principles of equity and the discretion of the court (regardless of whether the enforcement of such remedies is considered in a proceeding in equity or at law);

(c) the execution, delivery and performance of this Declaration by the Property Trustee does not conflict with or constitute a breach of the charter or by-laws of the Property Trustee;

(d) no consent, approval or authorization of, or registration with or notice to, any applicable state or federal banking authority is required for the execution, delivery or performance by the Property Trustee of this Declaration; and

(e) the Property Trustee satisfies the requirements set forth in Section 5.3(a).

SECTION 13.2    Representations and Warranties of Delaware Trustee.  
-----

The Trustee that acts as initial Delaware Trustee represents and warrants to the Trust and to the Sponsor at the date of this Declaration, and each Successor Delaware Trustee represents and warrants to the Trust and the Sponsor at the time of the Successor Delaware Trustee's acceptance of its appointment as Delaware Trustee that:

(a) The Delaware Trustee is a national banking association or a bank or trust company organized under the laws of any State of the United States or the District of Columbia, duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, in any case with power and authority to execute and deliver, and to carry out and perform its obligations under the terms of, this Declaration;

(b) The execution, delivery and performance by the Delaware Trustee of this Declaration has been duly authorized by all necessary action on the part of the Delaware Trustee. This Declaration has been duly executed and delivered by the Delaware Trustee and constitutes a legal, valid and binding obligation of the Delaware Trustee, enforceable against it in accordance with its terms, subject to applicable bankruptcy, reorganization, moratorium, insolvency, and other similar laws affecting creditors' rights generally and to general principles of equity and the discretion of the court (regardless of whether the enforcement of such remedies is considered in a proceeding in equity or at law);

(c) No consent, approval or authorization of, or registration with or notice to, any applicable state or federal banking authority is required for the execution, delivery or performance by the Delaware Trustee of this Declaration; and

(d) The Delaware Trustee is an entity that has its principal place of business in the State of Delaware and is a Person that satisfies for the Trust the requirements of section 3807(a) of the Business Trust Act.

ARTICLE XIV  
MISCELLANEOUS

SECTION 14.1 Notices.  
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All notices provided for in this Declaration shall be in writing, duly signed by the party giving such notice and delivered, telecopied or mailed by first class mail, overnight courier service or confirmed telecopy, as follows:

(a) if given to the Trust, in care of the Administrative Trustees at the Trust's mailing address set forth below (or such other address as the Trust may give notice of to the Property Trustee, the Delaware Trustee and the Holders):

Halliburton Capital Trust I  
c/o Halliburton Company  
3600 Lincoln Plaza  
500 North Akard Street  
Dallas, Texas 75201-3391  
Attention: Executive Vice President and General Counsel  
Telecopy: (214) 978-2783

(b) if given to the Delaware Trustee, at the mailing address set forth below (or such other address as Delaware Trustee may give notice of to the Holders):

Chase Manhattan Bank USA, National Association

500 Stanton Christiana Road  
Building 4 - 3rd Floor  
Newark, Delaware 19713  
Attention: Corporate Trust Department  
Telecopy: \_\_\_\_\_

(c) if given to the Property Trustee, at the Property Trustee's mailing address set forth below (or such other address as the Property Trustee may give notice of to the Holders):

JPMorgan Chase Bank  
600 Travis, 8th Floor  
Houston, Texas 77002  
Attention: Corporate Trust Department  
Telecopy: \_\_\_\_\_

(d) if given to the Holder of the Common Securities, at the mailing address of the Sponsor set forth below (or such other address as the Holder of the Common Securities may give notice to the Property Trustee and the Trust):

Halliburton Company  
3600 Lincoln Plaza  
500 North Akard Street  
Dallas, Texas 75201-3391  
Attention: Executive Vice President and General Counsel  
Telecopy: (214) 978-2783

(e) if given to any other Holder, at the address set forth on the books and records of the Trust.

All such notices shall be deemed to have been given when received in Person, telecopied with receipt confirmed, or mailed by first class mail, postage prepaid except that if a notice or other document is refused delivery or cannot be delivered because of a changed address of which no notice was given, such notice or other document shall be deemed to have been delivered on the date of such refusal or inability to deliver.

SECTION 14.2 GOVERNING LAW.  
-----

THIS DECLARATION AND THE RIGHTS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE AND ALL RIGHTS AND REMEDIES SHALL BE GOVERNED BY SUCH LAWS WITHOUT REGARD TO THE PRINCIPLES OF CONFLICT OF LAWS OF THE STATE OF DELAWARE OR ANY OTHER JURISDICTION THAT WOULD CALL FOR THE APPLICATION OF THE LAW OF ANY JURISDICTION OTHER THAN THE STATE OF DELAWARE; PROVIDED, HOWEVER, THAT THERE SHALL NOT BE APPLICABLE TO THE PARTIES HEREUNDER OR THIS DECLARATION ANY PROVISION OF THE LAWS (STATUTORY OR COMMON) OF THE STATE OF DELAWARE PERTAINING TO TRUSTS THAT RELATE TO OR REGULATE, IN A

MANNER INCONSISTENT WITH THE TERMS HEREOF (A) THE FILING WITH ANY COURT OR GOVERNMENTAL BODY OR AGENCY OF TRUSTEE ACCOUNTS OR SCHEDULES OF TRUSTEE FEES AND CHARGES, (B) AFFIRMATIVE REQUIREMENTS TO POST BONDS FOR TRUSTEES, OFFICERS, AGENTS OR EMPLOYEES OF A TRUST, (C) THE NECESSITY FOR OBTAINING COURT OR OTHER GOVERNMENTAL APPROVAL CONCERNING THE ACQUISITION, HOLDING OR DISPOSITION OF REAL OR PERSONAL PROPERTY, (D) FEES OR OTHER SUMS PAYABLE TO TRUSTEES, OFFICERS, AGENTS OR EMPLOYEES OF A TRUST, (E) THE ALLOCATION OF RECEIPTS AND EXPENDITURES TO INCOME OR PRINCIPAL, (F) RESTRICTIONS OR LIMITATIONS ON THE PERMISSIBLE NATURE, AMOUNT OR CONCENTRATION OF TRUST INVESTMENTS OR REQUIREMENTS RELATING TO THE TITLING, STORAGE OR OTHER MANNER OF HOLDING OR INVESTING TRUST ASSETS OR (G) THE ESTABLISHMENT OF FIDUCIARY OR OTHER STANDARDS OF RESPONSIBILITY OR LIMITATIONS ON THE ACTS OR POWERS OF TRUSTEES THAT ARE INCONSISTENT WITH THE LIMITATIONS OR LIABILITIES OR AUTHORITIES AND POWERS OF THE TRUSTEES HEREUNDER AS SET FORTH OR REFERENCED IN THIS TRUST AGREEMENT. SECTION 3540 OF TITLE 12 OF THE DELAWARE CODE SHALL NOT APPLY TO THE TRUST.

SECTION 14.3 Intention of the Parties.  
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It is the intention of the parties hereto that the Trust be classified for United States federal income tax purposes as a grantor trust. The provisions of this Declaration shall be interpreted to further this intention of the parties.

SECTION 14.4 Headings.  
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Headings contained in this Declaration are inserted for convenience of reference only and do not affect the interpretation of this Declaration or any provision hereof.

SECTION 14.5 Successors and Assigns.  
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Whenever in this Declaration any of the parties hereto is named or referred to, the successors and assigns of such party shall be deemed to be included, and all covenants and agreements in this Declaration by the Sponsor and the Trustees shall bind and inure to the benefit of their respective successors and assigns, whether or not so expressed.

SECTION 14.6 Partial Enforceability.  
-----

If any provision of this Declaration, or the application of such provision to any Person or circumstance, shall be held invalid, the remainder of this Declaration, or the application of such provision to Persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

SECTION 14.7 Counterparts.  
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This Declaration may contain more than one counterpart of the signature page and this Declaration may be executed by the affixing of the signature of each of the Trustees and the

Sponsor to one of such counterpart signature pages. All of such counterpart signature pages shall be read as though one, and they shall have the same force and effect as though all of the signers had signed a single signature page.

SECTION 14.8 No Recourse.

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The Trust's obligations hereunder are intended to be the obligations of the Trust and no recourse for the payment of Distributions on, and the Redemption Price of, Securities, as applicable, or for any claim upon the Securities or otherwise in respect thereof, shall be had against any Trustee, any Holder of Preferred Securities or any Affiliate of a Holder of Preferred Securities, solely by reason of such Person being a Trustee, a Holder of Preferred Securities or an Affiliate of a Holder of Preferred Securities, it being understood that the Holders of Preferred Securities, solely by reason of being a Holder of Preferred Securities, have limited liability (in accordance with the provisions of the Business Trust Act) for the liabilities and obligations of the Trust. Nothing contained in this Section 14.8 shall be construed to limit the exercise or enforcement, in accordance with the terms of this Declaration, the Preferred Securities Guarantee, the Common Securities Guarantee and the Indenture, of rights and remedies against the Trust or the Sponsor.

IN WITNESS WHEREOF, the undersigned has caused these presents to be executed as of the day and year first above written.

\_\_\_\_\_, as Administrative Trustee

\_\_\_\_\_  
\_\_\_\_\_, as Administrative Trustee

\_\_\_\_\_, as Administrative Trustee

CHASE MANHATTAN BANK USA,  
NATIONAL ASSOCIATION,  
as Delaware Trustee

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

JPMORGAN CHASE BANK,  
as Property Trustee

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

HALLIBURTON COMPANY,  
as Sponsor and Debenture Issuer

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ANNEX I

TERMS OF  
\_\_\_\_\_% PREFERRED SECURITIES  
\_\_\_\_\_% COMMON SECURITIES

Pursuant to Section 7.1 of the Amended and Restated Declaration of Trust, dated as of [ ] (as amended from time to time, the "Declaration"), the designation, rights, privileges, restrictions, preferences and other terms and provisions of the Preferred Securities and the Common Securities (collectively, the "Securities") are set out below (each capitalized term used but not defined herein has the meaning set forth in the Declaration or, if not defined in such Declaration, as defined in the Indenture):

Section 1. Designation and Number.  
-----

(a) Preferred Securities. [ ] Preferred Securities of the Trust, with an aggregate Liquidation Amount with respect to the assets of the Trust of [ ] dollars (\$[ ]), and with a Liquidation Amount with respect to the assets of the Trust of \$ per Security, are hereby designated for the purposes of identification only as "[ ]% [Preferred Securities]" (the "Preferred Securities"). The certificates evidencing the Preferred Securities shall be substantially in the form of Exhibit A-1 to the Declaration, with such changes and additions thereto or deletions therefrom as may be required by ordinary usage, custom or practice or to conform to the rules of any stock exchange or other quotation system on which the Preferred Securities are listed or admitted for trading or quotation.

(b) Common Securities. [ ] Common Securities of the Trust with an aggregate Liquidation Amount with respect to the assets of the Trust of [ ] dollars (\$[ ]) and a Liquidation Amount with respect to the assets of the Trust of \$[ ] per Security, are hereby designated for the purposes of identification only as "[ ]% Common Securities" (the "Common Securities"). The certificates evidencing the Common Securities shall be substantially in the form of Exhibit A-2 to the Declaration, with such changes and additions thereto or deletions therefrom as may be required by ordinary usage, custom or practice.

Section 2. Distributions.  
-----

(a) Distributions payable on each Security will be fixed at a rate per annum of [ ]% (the "Coupon Rate") of the Liquidation Amount of \$[ ] per Security (the "Liquidation Amount"), such rate being the rate of interest payable on the Debentures to be held by the Property Trustee. Distributions in arrears for more than one [semi-annual] period will bear additional distributions thereon compounded [semi-annually] at the Coupon Rate (to the extent permitted by applicable law). The term "Distributions", as used herein, includes any such additional distributions unless otherwise stated. A Distribution is payable only to the extent that payments are made in respect of the Debentures held by the Property Trustee and to the extent the Property Trustee has funds on hand legally available therefor.

(b) Distributions on the Securities will be cumulative, will accumulate from the most recent date to which Distributions have been paid or, if no Distributions have been paid, from

and including [ ], but excluding the related Distribution Date (as defined below) or the date of redemption, and will be payable [semi-annually] in arrears on [ ] and [ ] of each year, commencing on [ ], except as otherwise described below. The amount of Distributions payable for any period will be computed on the basis of a 360-day year consisting of twelve 30-day months and for any period of less than a full calendar month on the basis of the actual number of days elapsed in such month. If any date on which Distributions are payable on the Securities is not a Business Day, then payment of the Distribution payable on such date shall be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay), except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on the date such payment was originally payable (each date on which Distributions are payable in accordance with the foregoing, a "Distribution Date").

(c) [So long as no Event of Default (as defined in the Indenture) has occurred and is continuing, the Debenture Issuer has the right under the Indenture to defer the payment of interest on the Debentures by extending the interest payment period at any time and from time to time for a period not exceeding [ ] consecutive [semi-annual] periods, including the first such [semi-annual] period during such period (each an "Extension Period"), provided that no Extension Period shall extend beyond the Maturity Date of the Debentures. Distributions will be deferred during any Extension Period. Notwithstanding such deferral, Distributions to which Holders are entitled shall continue to accumulate additional Distributions thereon (to the extent permitted by applicable law but not at a rate greater than the rate at which interest is then accruing on the Debentures) at the Coupon Rate compounded [semi-annually] from the relevant Distribution Dates during any Extension Period. Prior to the expiration of any Extension Period, the Debenture Issuer may further defer payments of interest by further extending such Extension Period; provided that such Extension Period, together with all previous and further extensions, if any, within such Extension Period, may not exceed [ ] consecutive [semi-annual] periods, including the first [semi-annual] period during such Extension Period, or extend beyond the Maturity Date of the Debentures. Upon the expiration of any Extension Period and the payment of all amounts then due, the Debenture Issuer may commence a new Extension Period, subject to the above requirements. [Payments of Distributions that have accumulated but not been paid during any Extension Period will be payable to Holders as they appear on the books and records of the Trust on the record date for the first scheduled Distribution Date following the expiration of such Extension Period and prior to the commencement of any new Extension Period.] The Debenture Issuer must give the Property Trustee, the Administrative Trustees and the Debenture Trustee notice of its election of any Extension Period or any extension thereof at least one Business Day prior to the earlier of (i) the date the Distributions on the Preferred Securities would have been payable except for the election to begin or extend such Extension Period and (ii) the date the Administrative Trustees are required to give notice to any securities exchange or other quotation system or to Holders of the Preferred Securities of the record date or the date such Distributions are payable, but in any event not less than one Business Day prior to such record date. There is no limitation on the number of times that the Debenture Issuer may elect to begin an Extension Period.]

(d) Distributions on the Securities will be payable to the Holders thereof of record as they appear on the books and records of the Trust on the record dates, which shall be [the

Business Day prior to the relevant Distribution date as long as the Preferred Securities are held in global form by a Clearing Agency, and the 15th day of the last month in each distribution period (even if not a Business Day) if the Preferred Securities are issued in certificated form]. Subject to any applicable laws and regulations and the provisions of the Declaration, each such payment in respect of the Preferred Securities will be made as follows: (i) if the Preferred Securities are held in global form by a Clearing Agency (or its nominee), in accordance with the procedures of the Clearing Agency or, (ii) if the Preferred Securities are held in definitive form, by check mailed to the address of the Holder thereof as reflected in the records of the Registrar unless otherwise agreed by the Trust. The relevant record dates for the Common Securities shall be the same as the record dates for the Preferred Securities. Distributions payable on any Securities that are not punctually paid on any Distribution Date will cease to be payable to the Holder on the relevant record date, and such defaulted Distribution will instead be payable to the Person in whose name such Securities are registered on the special record date or other specified date determined in accordance with the Indenture.

[(e) In the event of an election by the Holder to convert its Securities through the Exchange Agent into [other securities] pursuant to the terms of the Securities as set forth in this Annex I to the Declaration, no payment, allowance or adjustment shall be made with respect to accumulated and unpaid Distributions on such Securities, or be required to be made; provided that Holders of Securities at the close of business on any record date for the payment of Distributions will be entitled to receive the Distributions payable on such Securities on the corresponding payment date notwithstanding the conversion of such Securities into [other securities] following such record date.]

(f) If there is any money or other property held by or for the Trust that is not accounted for hereunder, such property shall be distributed Pro Rata (as defined herein) among the Holders of the Securities.

Section 3.        Liquidation Distribution Upon Dissolution.  
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(a) [The Sponsor shall have the right to dissolve the Trust at any time and to cause its affairs to be wound up, all in accordance with paragraph (iii) of subsection (a) of Section 8.1 of the Declaration, and, after satisfaction of the liabilities of the Trust to its creditors, to cause the Debentures to be distributed to the Holders of the Trust Securities in liquidation of the Trust].

(b) In the event of any dissolution of the Trust pursuant to paragraph (a)(i), (ii), (iv) or (vi) of Sections 8.1 of the Declaration, the Trust shall be liquidated by the Administrative Trustees as expeditiously as the Administrative Trustees determine to be possible by distributing, after satisfaction of liabilities to creditors of the Trust as provided by applicable law, to the Holders of the Securities a Like Amount (as defined below) of the Debentures, unless such Distribution is determined by the Property Trustee not to be practicable, in which event such Holders will be entitled to receive out of the assets of the Trust legally available for Distribution to Holders, after satisfaction of liabilities to creditors of the Trust as provided by applicable law, an amount equal to the aggregate of the Liquidation Amount of \$ per Security plus accumulated and unpaid Distributions thereon to the date of payment (such amount being the "Liquidation Distribution").

"Like Amount" means (i), with respect to a redemption of the Securities, a principal amount of Debentures equal to the Liquidation Amount of the Securities to be redeemed and (ii), with respect to a distribution of Debentures upon the dissolution of the Trust, Debentures having a principal amount equal to the Liquidation Amount of the Securities of the Holder to whom such Debentures are distributed.

(c) On the date fixed by the Administrative Trustees for any distribution of Debentures following dissolution of the Trust: (i) the Trust will transfer or cause to be transferred to the Clearing Agency or its nominee, as the Holder of the Securities, a registered global certificate or certificates representing the Debentures to be delivered upon such distribution in exchange for and redemption of a Like Amount of the Securities; (ii) the Trust will transfer or cause to be transferred to the Debenture Trustee, for the benefit of Holders of any certificated Securities not held by the Clearing Agency or its nominee, a Like Amount of Debentures to be authenticated by the Debenture Trustee and delivered to the Holders of such certificated Securities upon surrender thereof to the Debenture Trustee in exchange for the Debentures and in redemption of such Securities; and (iii), from and after such date, the Securities so exchanged and redeemed will no longer be deemed to be outstanding. Any certificated Securities shall be deemed to represent beneficial interests in a Like Amount of Debentures, which Debentures shall bear accrued and unpaid interest in an amount equal to the accumulated and unpaid Distributions on such Securities, to the extent that a Like Amount of Debentures has been delivered to the Debenture Trustee pursuant to clause (ii) of this paragraph for the benefit of the Holders of such Securities until such Securities are surrendered to the Debenture Trustee or its agent for cancellation.

(d) If, upon any such liquidation, the Liquidation Distribution can be paid only in part because the Trust has insufficient assets on hand legally available to pay in full the aggregate Liquidation Distribution, then the amounts payable directly by the Trust on the Securities shall be paid on a Pro Rata basis.

#### Section 4. Redemption and Distribution.

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(a) Upon the repayment of the Debentures on the Maturity Date thereof [or redemption thereof (in whole or in part) prior thereto in accordance with the terms thereof], the proceeds from such repayment or redemption shall be simultaneously applied by the Property Trustee (subject to the Property Trustee having received notice no later than 45 days prior to such repayment or redemption) to redeem a Like Amount of the Securities at a redemption price equal to (i) in the case of the repayment of the Debentures on the Maturity Date, the Maturity Redemption Price (as defined below), [(ii) in the case of the optional redemption of the Debentures prior to [ ] upon the occurrence and continuation of a [Special Event] (as defined below), the Special Event Redemption Price (as defined below)] and [(iii) in the case of the optional redemption of the Debentures other than as contemplated in clause (ii) above, the Optional Redemption Price (as defined below)]. The [Maturity Redemption Price, the Special Event Redemption Price and the Optional Redemption Price] are referred to collectively as the "Redemption Price."

(b) Definitions:

(i) The "Maturity Redemption Price" shall mean a price equal to 100% of the Liquidation Amount of the Securities to be redeemed plus accumulated and unpaid Distributions thereon, if any, to the date of redemption.

(ii) "Optional Redemption Price" shall mean a price equal to the percentage of the Liquidation Amount of Securities to be redeemed plus accumulated and unpaid Distributions thereon, if any, to the date of such redemption if redeemed during the 12 month period beginning on [ ] of each of the years indicated below:

Year	Percentage
	%

and thereafter at 100% of the Liquidation Amount of Securities to be redeemed.].

(iii) ["Special Event" shall mean .]

(iv) "Special Event Redemption Price" shall mean a price equal to [ ], plus, in either case, accumulated and unpaid Distributions thereon, if any, to the date of such redemption (including Compounded Interest and Additional Sums, if any).

(c) The Trust may not redeem fewer than all the outstanding Securities unless all accumulated and unpaid Distributions have been paid on all Securities for all Distribution periods that expire on or before the date of redemption.

(d) The procedure with respect to redemptions of Securities or distributions of Debentures shall be as follows:

(i) Notice of any redemption of, or notice of distribution of Debentures in exchange for, the Securities (a "Redemption/Distribution Notice") shall be given by the Trust by mail to each Holder of Securities to be redeemed or exchanged not fewer than 30 nor more than 60 days before the date fixed for redemption or exchange thereof (the "Redemption/Distribution Date"). In connection with any redemption of, or distribution of Debentures in exchange for, Securities, the Administrative Trustees shall fix the Redemption/Distribution Date. For purposes of this paragraph (i), a Redemption/Distribution Notice shall be deemed to be given on the day such notice is first mailed by first-class mail, postage prepaid, to Holders. Each Redemption/Distribution Notice shall be addressed to the Holders at the address of each such Holder appearing in the books and records of the Trust and shall advise the Holders of the pending redemption of, or distribution of Debentures in exchange for, Securities, the Redemption/Distribution Date and, if less than all the Securities are to be redeemed, the CUSIP numbers or other identifying information with respect to the Securities to be redeemed. No defect in the Redemption/Distribution Notice or in the mailing of either thereof with respect to any Holder shall affect the validity of the redemption or exchange proceedings with respect to any other Holder.

(ii) If fewer than all the outstanding Securities are to be redeemed, the Securities to be redeemed shall be redeemed Pro Rata from each Holder, it being understood that, in respect of Preferred Securities registered in the name of and held of record by a Clearing Agency or its nominee, the distribution of the proceeds of such redemption will be made to the Clearing Agency or its nominee and disbursed by such Clearing Agency in accordance with the procedures of such agency or nominee.

(iii) If Securities are to be redeemed and the Trust gives a Redemption/Distribution Notice, such notice shall be irrevocable and (A), with respect to Preferred Securities registered in the name of or held of record by a Clearing Agency or its nominee, the Property Trustee or the Paying Agent shall pay to the Clearing Agency or its nominee, by 12:00 noon, New York City time, on the Maturity Date or Redemption/Distribution Date, as the case may be, funds sufficient to pay the applicable Redemption Price with respect to such Preferred Securities; provided that the Debenture Issuer has paid the Property Trustee a sufficient amount of cash in connection with the related maturity or redemption of the Debentures by 10:00 a.m., New York City time, on the Maturity Date or the Redemption/Distribution Date, as the case may be, and (B), with respect to Preferred Securities issued in certificated form and Common Securities, the Property Trustee or the Paying Agent shall pay the relevant Redemption Price to the Holders of such Securities against presentation thereof to the Registrar of the certificates therefor; provided that the Debenture Issuer has paid the Property Trustee a sufficient amount of cash in connection with the related maturity or redemption of the Debentures. If a Redemption/Distribution Notice shall have been given and funds deposited with the Property Trustee to pay the applicable Redemption Price (including all accrued but unpaid Distributions) with respect to the Securities called for redemption, then immediately prior to the close of business on the Redemption/Distribution Date, Distributions shall cease to accumulate on the Securities so called for redemption, such Securities shall cease to be outstanding and all rights of Holders of such Securities so called for redemption shall cease, except the right of the Holders of such Securities to receive the applicable Redemption Price without interest thereon.

(iv) Payment of accumulated and unpaid Distributions on the Redemption/Distribution Date of any Securities shall be subject to the rights of Holders of record of such Securities at the close of business on the regular record date relating to a Distribution Date occurring on or prior to such Redemption/Distribution Date.

(v) Neither the Administrative Trustees nor the Trust shall be required to register or cause to be registered the transfer of (A) any Securities beginning at the opening of business 15 days before the day of mailing of a Redemption/Distribution Notice or (B) any Securities selected for redemption (except the unredeemed portion of any Security being redeemed). If any Redemption/Distribution Date is not a Business Day, then payment of the applicable Redemption Price payable on such date shall be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay) unless such Business Day is in the next succeeding calendar year, in which case such payment shall be made on the immediately preceding Business Day, in either case with the same force and effect as if made on the Redemption/Distribution Date. If payment of the Redemption Price in respect of any Securities is improperly withheld or refused and not paid on the Redemption/Distribution Date either by the Property Trustee or the Paying Agent or by the Sponsor as guarantor pursuant to the Preferred Securities Guarantee, (A) Distributions on such Securities will continue to

accumulate from such Redemption/Distribution Date to the actual date of payment and (B) the actual payment date will be considered the Redemption/Distribution Date for purposes of calculating the Redemption Price.

(vi) Subject to the foregoing and applicable law (including United States federal securities laws), the Sponsor or any of its Affiliates may at any time and from time to time purchase outstanding Preferred Securities by tender, in the open market or by private agreement.

Section 5. [Exchange Rights.  
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The Holders shall have the right at any time, beginning through the close of business on (or, in the case of Securities called for redemption, prior to the close of business on the Business Day prior to the Redemption/Distribution Date), at their option, to cause the Exchange Agent to exchange Securities, on behalf of the converting Holders, for [other Sponsor securities] in the manner described herein on and subject to the following terms and conditions:

(a) The Securities will be exchangeable at the office of the Exchange Agent into fully paid and nonassessable [other Sponsor securities] pursuant to the Holder's direction to the Exchange Agent [in the form of Exhibit hereto] to exchange such Securities for a portion of the Debentures theretofore held by the Trust on the basis of one Security per \$ principal amount of Debentures (the "Exchange Rate"), and immediately convert such amount of Debentures into fully paid and nonassessable [other Sponsor securities] at an initial rate of per \$ principal amount of Debentures (which is equivalent to a conversion price of \$ per [other Sponsor security], subject to certain adjustments set forth in [Article XIII] of the Indenture (as so adjusted, the "Conversion Price")).

(b) In order to exchange Securities for [other Sponsor securities], the Holder shall submit to the Exchange Agent at the office referred to above an irrevocable request to exchange Securities on behalf of such Holder (the "Exchange Request"), together, if the Securities are in certificated form, with such certificates. The Exchange Request shall (i) set forth the number of Securities to be exchanged and the name or names, if other than the Holder, in which the [other Sponsor securities] should be issued and (ii) direct the Exchange Agent (a) to exchange such Securities for a portion of the Debentures held by the Trust (at the Exchange Rate) and (b) immediately to convert such Debentures on behalf of such Holder into [other Sponsor securities] (at the Conversion Price). The Exchange Agent shall notify the Trust of the Holder's election to exchange Securities for a portion of the Debentures held by the Trust (a "Notice of Exchange") and the Trust shall, upon receipt of the Notice of Exchange, deliver to the Exchange Agent the appropriate principal amount of Debentures for exchange in accordance with this Section. The Exchange Agent shall thereupon notify the Sponsor of the Holder's election to convert such Debentures into [other Sponsor securities]. Holders at the close of business on a Distribution record date will be entitled to receive the Distribution payable on such Securities on the corresponding Distribution payment date notwithstanding the exchange of such Securities following such record date but prior to such distribution payment date. Except as provided above, neither the Trust nor the Sponsor will make, or be required to make, any payment, allowance or adjustment upon any exchange of Securities on account of any accumulated and

unpaid Distributions accrued on the Securities surrendered for exchange. Securities shall be deemed to have been converted immediately prior to the close of business on the day on which a Notice of Exchange relating to such Securities is received by the Trust in accordance with the foregoing provision (the "Exchange Date"). The Person or Persons entitled to receive [other Sponsor securities] issuable upon conversion of the Debentures shall be treated for all purposes as the record holder or holders of such [other Sponsor securities] at such time. As promptly as practicable on or after the Exchange Date, the Sponsor shall issue and deliver at the office of the Exchange Agent a certificate or certificates for the number of full [other Sponsor securities] issuable upon such conversion of Debentures, together with the cash payment, if any, in lieu of any fraction of any share to the Person or Persons entitled to receive the same, unless otherwise directed by the Holder in the Notice of Exchange and the Exchange Agent shall distribute such certificate or certificates to such Person or Persons.

(c) Each Holder of a Security by his acceptance thereof appoints the Property Trustee as Exchange Agent for the purpose of effecting the exchange of Securities in accordance with this Section. In effecting the exchange and transactions described in this Section, the Exchange Agent shall be acting as agent of the Holders directing it to effect such exchange transactions. The Exchange Agent is hereby authorized (i) to exchange Securities from time to time for Debentures held by the Trust in connection with the exchange of such Securities in accordance with this Section, (ii) to convert all or a portion of the Debentures into [other Sponsor securities], (iii) thereupon to deliver such [other Sponsor securities] in accordance with the provisions of this Section and (iv) to deliver to the Trust a new Debenture or Debentures for any resulting unconverted principal amount.

(d) No fractional [other Sponsor securities] shall be issued as a result of conversion of the Debentures, but, in lieu thereof, such fractional interest will be paid in cash by the Sponsor to the Exchange Agent, which in turn will make such payment to the Holder or Holders of the Securities exchanged for Debentures.

(e) The Sponsor shall at all times reserve and keep available out of its authorized and unissued [other Sponsor securities], solely for issuance upon the conversion of the Debentures, free from any preemptive or other similar rights, such number of [other Sponsor securities] as shall from time to time be issuable upon the conversion of all the Debentures then outstanding. Notwithstanding the foregoing, the Sponsor shall be entitled to deliver upon conversion of Debentures, [other Sponsor securities] reacquired and held in the treasury of the Sponsor (in lieu of the issuance of authorized and unissued [other Sponsor securities]), so long as any such treasury shares are free and clear of all liens, charges, security interests or encumbrances. Any [other Sponsor securities] issued upon conversion of the Debentures shall be duly authorized, validly issued and fully paid and nonassessable. The Trust shall deliver the [other Sponsor securities] received upon conversion of the Debentures to the exchanging Holder, free and clear of all liens, charges, security interests and encumbrances, except for United States withholding taxes. Each of the Sponsor and the Trust shall prepare and shall use its best efforts to obtain and keep in force such governmental or regulatory permits or other authorizations as may be required by law, and shall comply with all applicable requirements as to registration or qualification of [other Sponsor securities], in order to enable the Sponsor lawfully to issue [other Sponsor securities] to the Trust upon conversion of the Debentures and the Trust lawfully to deliver [other Sponsor securities] to each Holder upon exchange of the Securities.

(f) The Sponsor shall pay any and all taxes that may be payable in respect of the issue or delivery of the [other Sponsor securities] on conversion of Debentures and the delivery of the [other Sponsor securities] by the Trust upon exchange of the Securities. The Sponsor shall not, however, be required to pay any tax that may be payable in respect of any transfer involved in the issue and delivery of the [other Sponsor securities] in a name other than that in which the Securities so exchanged were registered, and no such issue or delivery shall be made unless and until the Person requesting such issue has paid to the Trust the amount of any such tax or has established to the satisfaction of the Trust that such tax has been paid.

(g) Nothing in the preceding subsection (f) shall limit the requirement of the Trust to withhold taxes pursuant to the terms of the Securities as set forth in this Annex I to the Declaration or in the Declaration itself or otherwise require the Property Trustee or the Trust to pay any amounts on account of such withholdings.]

Section 6. Voting Rights - Preferred Securities.  
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(a) Except as provided in subsection (b) of Sections 6 and Section 8 and as otherwise required by law and the Declaration, the Holders of the Preferred Securities will have no voting rights.

(b) Subject to the requirements set forth in this subsection, the Holders of a Majority in Liquidation Amount of all outstanding Preferred Securities, voting separately as a class may, and the Trustees shall not, without obtaining the prior approval of the Holders of a Majority in Liquidation Amount of all outstanding Preferred Securities, (i) direct the time, method and place of conducting any proceeding for any remedy available to the Debenture Trustee or executing any trust or power conferred on the Debenture Trustee with respect to the Debentures, (ii) waive any past default that is waivable under Section 5.7 of the Indenture, (iii) exercise any right to rescind or annul a declaration of acceleration of the maturity of the principal of the Debentures or (iv) consent to any amendment, modification or termination of the Indenture or the Debentures, where such consent shall be required; provided, however, that, where a consent or other action under the Indenture with respect to the Debentures would require the consent or act of holders of all outstanding Debentures, no consent or act shall be given or taken except by the Holders of all outstanding Preferred Securities. The Trustees shall not revoke any action previously authorized or approved by a vote of the Holders of the Preferred Securities except by subsequent vote of such Holders. Subject to Section 2.7 of the Declaration, the Property Trustee shall notify each Holder of Preferred Securities of any notice of default with respect to the Debentures. In addition to obtaining the foregoing approvals of such Holders of the Preferred Securities, the Trustees shall, prior to taking any of the foregoing actions, obtain an Opinion of Counsel experienced in such matters to the effect that the Trust will not be classified as an association taxable as a corporation for United States federal income tax purposes as a result of taking such action.

(c) If an Event of Default has occurred and is continuing, the Property Trustee and the Delaware Trustee may be removed at such time by the Holders of a Majority in Liquidation Amount of the outstanding Preferred Securities. In no event will the Holders of the Preferred Securities have the right to vote to appoint, remove or replace the Administrative Trustees, which voting rights are vested exclusively in the Sponsor as the Holder of the Common Securities.

(d) If an Event of Default under the Declaration has occurred and is continuing and such event is attributable to the failure of the Debenture Issuer to pay principal of or premium, if any, or interest on the Debentures on any due date (including any interest payment date or redemption date or the maturity date), then a Holder of Preferred Securities may directly institute a legal proceeding against the Debenture Issuer for enforcement of payment to such Holder of the principal of or premium, if any, or interest on a Like Amount of Debentures (a "Direct Action") on or after the respective due date specified in the Debentures. In connection with such Direct Action, the rights of the Holders of the Common Securities shall be subrogated to the rights of such Holder of Preferred Securities to the extent of any payment made by the Debenture Issuer to such Holder of Preferred Securities in such Direct Action. Except as provided in this paragraph, the Holders of Preferred Securities will not be able to exercise directly any other remedy available to the holders of the Debentures.

(e) Any approval or direction of Holders of Preferred Securities may be given at a separate meeting of Holders of Preferred Securities convened for such purpose, at a meeting of all of the Holders of Securities or pursuant to written consent. The Property Trustee shall cause a notice of any meeting at which Holders of Preferred Securities are entitled to vote, or of any matter upon which action by written consent of such Holders is to be taken, to be mailed to each Holder of record of Preferred Securities. Each such notice shall include a statement setting forth (i) the date of such meeting or the date by which such action is to be taken, (ii) a description of any resolution proposed for adoption at such meeting on which such Holders are entitled to vote or of such matter upon which written consent is sought and (iii) instructions for the delivery of proxies or consent.

(f) No vote or consent of the Holders of the Preferred Securities shall be required for the Trust to redeem and cancel Preferred Securities or to distribute the Debentures in accordance with the Declaration and the terms of the Securities.

(g) Notwithstanding that Holders of Preferred Securities are entitled to vote or consent under any of the circumstances described above, any of the Preferred Securities that are owned by the Sponsor or any Affiliate of the Sponsor shall not be entitled to vote or consent and shall, for purposes of such vote or consent, be treated as if they were not outstanding.

Section 7. Voting Rights - Common Securities.  
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(a) Except as provided under subsection (b) of Section 7 or as otherwise required by law and the Declaration, the Holders of the Common Securities will have no voting rights.

(b) Subject to Section 2.6 of the Declaration and only after the Event of Default with respect to the Preferred Securities has been cured, waived, or otherwise eliminated and subject to the requirements of the second to last sentence of this paragraph, the Holders of a Majority in Liquidation Amount of the Common Securities, voting separately as a class, may, and, without the affirmative vote of the Holders of a Majority in Liquidation Amount of the Common Securities, the Trustees will not, (i) direct the time, method and place of conducting any proceeding for any remedy available to the Debenture Trustee or executing any trust or power conferred on such Debenture Trustee with respect to the Debentures, (ii) waive any past default that is waivable under Section 5.7 of the Indenture, (iii) exercise any right to rescind or annul a declaration of acceleration of the maturity of the principal of the Debentures or (iv) consent to any amendment, modification or termination of the Indenture or the Debentures, where such consent shall be required; provided, however, that, where a consent or other action under the Indenture with respect to the Debentures would require the consent or act of holders of all outstanding Debentures, no consent or act shall be given or taken except by the Holders of all outstanding Common Securities. The Trustees shall not revoke any action previously authorized or approved by a vote of the Holders of the Common Securities except by subsequent vote of such Holders. The Property Trustee shall notify each Holder of Common Securities of any notice of default with respect to the Debentures. In addition to obtaining the foregoing approvals of such Holders of the Common Securities, the Trustees shall, prior to taking any of the foregoing actions, obtain an Opinion of Counsel experienced in such matters to the effect that the Trust will not be classified as an association taxable as a corporation for United States federal income tax purposes as a result of taking such action.

(c) If an Event of Default under the Declaration has occurred and is continuing and such event is attributable to the failure of the Debenture Issuer to pay principal of or premium, if any, or interest on the Debentures on the due date (including any interest payment date or redemption date or the maturity date), then a Holder of Common Securities may institute a Direct Action for enforcement of payment to such Holder of the principal of or premium, if any, or interest on a Like Amount of Debentures on or after the respective due date specified in the Debentures. Except as provided in this paragraph, the Holders of Common Securities shall not be entitled to exercise directly any other remedy available to the holders of the Debentures.

(d) Any approval or direction of Holders of Common Securities may be given at a separate meeting of Holders of Common Securities convened for such purpose, at a meeting of all of the Holders of Securities or pursuant to written consent. The Administrative Trustees shall cause a notice of any meeting at which Holders of Common Securities are entitled to vote or of any matter upon which action by written consent of such Holders is to be taken to be mailed to each Holder of record of Common Securities. Each such notice shall include a statement setting forth (i) the date of such meeting or the date by which such action is to be taken, (ii) a description of any resolution proposed for adoption at such meeting on which such Holders are entitled to vote or of such matter upon which written consent is sought and (iii) instructions for the delivery of proxies or consents.

(e) No vote or consent of the Holders of the Common Securities shall be required for the Trust to redeem and cancel Common Securities or to distribute the Debentures in accordance with the Declaration and the terms of the Securities.

Section 8. Amendments to Declaration.  
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In addition to the circumstances and requirements set out in Section 12.1 of the Declaration, the Declaration may be amended by the Trustees and the Sponsor with (i) the consent of Holders representing a Majority in Liquidation Amount of all outstanding Securities and (ii) receipt by the Trustees of an Opinion of Counsel to the effect that such amendment or the exercise of any power granted to the Trustees in accordance with such amendment will not affect the Trust's status as a grantor trust for United States federal income tax purposes or the Trust's exemption from status as an investment company under the Investment Company Act, provided, however, that, without the consent of each Holder, the Declaration may not be amended (i) to change the amount or timing of any Distribution on the Securities or otherwise adversely to affect the amount of any Distribution required to be made in respect of the Securities as of a specified date or (ii) to restrict the right of a Holder to institute suit for the enforcement of any such payment on or after such date.

Section 9. Pro Rata.  
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A reference in these terms of the Securities to any payment, distribution or treatment as being "Pro Rata" shall mean pro rata to each Holder according to the aggregate Liquidation Amount of the Securities held by such Holder in relation to the aggregate Liquidation Amount of all Securities outstanding unless, in relation to any payment, an Event of Default under the Declaration has occurred and is continuing, in which case any funds available to make such payment shall be paid first to each Holder of the Preferred Securities pro rata according to the aggregate Liquidation Amount of Preferred Securities held by the such Holder relative to the aggregate Liquidation Amount of all Preferred Securities outstanding, and only after satisfaction of all amounts owed to the Holders of the Preferred Securities, to each Holder of Common Securities pro rata according to the aggregate Liquidation Amount of Common Securities held by the such Holder relative to the aggregate Liquidation Amount of all Common Securities outstanding.

Section 10. Ranking.  
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The Preferred Securities rank pari passu with the Common Securities and payment thereon shall be made Pro Rata with the Common Securities, except that, if an Event of Default under the Declaration occurs and is continuing, no payments in respect of Distributions on, or payments upon liquidation, redemption or otherwise with respect to, the Common Securities shall be made until the Holders of the Preferred Securities shall be paid in full the Distributions, Redemption Price, Liquidation Distribution and other payments to which they are entitled at such time.

Section 11. Acceptance of Preferred Securities Guarantee and Indenture.  
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Each Holder of Preferred Securities, by the acceptance thereof, agrees to the provisions of the Preferred Securities Guarantee, including the subordination provisions therein and to the provisions of the Indenture.

Section 12. No Preemptive Rights.  
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The Holders of the Securities shall have no preemptive or similar rights to subscribe for any additional securities.

Section 13. Miscellaneous.  
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These terms in this Annex I constitute a part of the Declaration. The Sponsor will provide a copy of the Declaration, the Preferred Securities Guarantee and the Indenture (including any supplemental indenture) to a Holder without charge on written request to the Sponsor at its principal place of business.

EXHIBIT A-1

FORM OF PREFERRED SECURITY CERTIFICATE  
[FORM OF FACE OF SECURITY]

[IF THIS PREFERRED SECURITY IS A GLOBAL PREFERRED SECURITY, INSERT: THIS PREFERRED SECURITY IS A GLOBAL PREFERRED SECURITY WITHIN THE MEANING OF THE DECLARATION HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF THE DEPOSITORY TRUST COMPANY (THE "CLEARING AGENCY") OR A NOMINEE OF THE CLEARING AGENCY. THIS PREFERRED SECURITY IS EXCHANGEABLE FOR PREFERRED SECURITIES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE CLEARING AGENCY OR ITS NOMINEE ONLY IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE TRUST AGREEMENT AND NO TRANSFER OF THIS PREFERRED SECURITY (OTHER THAN A TRANSFER OF THIS PREFERRED SECURITY AS A WHOLE BY THE CLEARING AGENCY TO A NOMINEE OF THE CLEARING AGENCY OR BY A NOMINEE OF THE CLEARING AGENCY TO THE CLEARING AGENCY OR ANOTHER NOMINEE OF THE CLEARING AGENCY) MAY BE REGISTERED EXCEPT IN LIMITED CIRCUMSTANCES.

UNLESS THIS PREFERRED SECURITY IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) TO THE TRUST OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY PREFERRED SECURITY ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY AND ANY PAYMENT HEREON IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY A PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.]

Exhibit A-1-1

Certificate No. \_\_\_\_\_

Number of Preferred Securities \_\_\_\_\_

CUSIP NO. \_\_\_\_\_

Certificate

Certificate Evidencing Preferred Securities

of

Halliburton Capital Trust I

\_\_\_\_% Preferred Securities

(Liquidation Amount \$\_\_\_\_\_ per Preferred Security)

Halliburton Capital Trust I, a statutory business trust created under the laws of the State of Delaware (the "Trust"), hereby certifies that \_\_\_\_\_ (the "Holder") is the registered owner of [\$\_\_\_\_\_ in aggregate Liquidation Amount of Preferred Securities of the Trust]/1/ [the aggregate Liquidation Amount of Preferred Securities of the Trust specified in Schedule A hereto]/2/ representing undivided beneficial interests in the assets of the Trust designated the Series \_\_\_\_\_ % Preferred Securities (Liquidation Amount \$\_\_\_\_\_ per Preferred Security) (the "Preferred Securities"). Subject to the Declaration (as defined below), the Preferred Securities are transferable on the books and records of the Trust, in Person or by a duly authorized attorney, upon surrender of this certificate duly endorsed and in proper form for transfer. The designation, rights, privileges, restrictions, preferences and other terms and provisions of the Preferred Securities represented hereby are issued and shall in all respects be subject to the provisions of the Amended and Restated Declaration of Trust of the Trust dated as of \_\_\_\_\_, \_\_\_\_\_, as the same may be amended from time to time (the "Declaration"), including the designation of the terms of the Preferred Securities as set forth in Annex I to the Declaration. Capitalized terms used but not defined herein shall have the meaning given them in the Declaration. The Sponsor will provide a copy of the Declaration, the Preferred Securities Guarantee, the Common Securities Guarantee (as may be appropriate), and the Indenture (including any supplemental indenture) to a Holder without charge upon written request to the Trust at its principal place of business.

Upon receipt of this certificate, the Holder is bound by the Declaration and is entitled to the benefits thereunder and to the benefits of the Preferred Securities Guarantee to the extent provided therein.

By acceptance hereof, the Holder agrees to treat, for United States federal income tax purposes, the Debentures as indebtedness and the Preferred Securities as evidence of indirect beneficial ownership in the Debentures.

- - - - -

- /1/ Insert in Definitive Preferred Securities only.
- /2/ Insert in Global Preferred Securities only.

IN WITNESS WHEREOF, the Trust has duly executed this certificate.

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

HALLIBURTON CAPITAL  
TRUST I

By: \_\_\_\_\_

Name: \_\_\_\_\_  
Administrative Trustee

Exhibit A-1-3

PROPERTY TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Preferred Securities referred to in the within-mentioned Declaration.

JPMORGAN CHASE BANK,  
as Property Trustee

By: \_\_\_\_\_  
Authorized Signatory

Exhibit A-1-4

[FORM OF REVERSE OF SECURITY]

Distributions payable on each Preferred Security will be fixed at a rate per annum of [ ]% (the "Coupon Rate") of the Liquidation Amount of \$ [ ] per Preferred Security, such rate being the rate of interest payable on the Debentures to be held by the Property Trustee. Distributions in arrears for more than one [semi-annual period] will bear interest thereon compounded [semi-annually] at the Coupon Rate (to the extent permitted by applicable law). The term "Distributions", as used herein, includes such cash distributions and any such interest payable unless otherwise stated. A Distribution is payable only to the extent that payments are made in respect of the Debentures held by the Property Trustee and to the extent the Property Trustee has funds on hand legally available therefor.

Distributions on the Preferred Securities will be cumulative, will accumulate from and including the most recent date to which Distributions have been paid or, if no Distributions have been paid, from and including [ ], [ ] to but excluding the related Distribution Date or any date fixed for redemption, and will be payable [semi-annually] in arrears on [ ] and [ ] of each year, commencing on [ ], [ ], except as otherwise described below and in the Declaration. Distributions will be computed on the basis of a 360-day year consisting of twelve 30-day months and, for any period of less than a full calendar month, the number of days elapsed in such month.

[As long as no Event of Default (as defined in the Indenture) has occurred and is continuing, the Debenture Issuer has the right under the Indenture to defer the payment of interest on the Debentures at any time and from time to time for a period not exceeding [ ] consecutive calendar [semi-annual] periods, including the first such [semi-annual period] during such extension period (each, an "Extension Period"); provided, however, that no Extension Period shall extend beyond the Maturity Date of the Debentures. Distributions will be deferred during any Extension Period. Notwithstanding such deferral, [semi-annual] Distributions will continue to accumulate with interest thereon (to the extent permitted by applicable law, but not at a rate exceeding the rate of interest then accruing on the Debentures) at the Coupon Rate compounded [semi-annually] during any Extension Period. Prior to the termination of any Extension Period, the Debenture Issuer may further defer payments of interest by further extending such Extension Period; provided, however, that such Extension Period, together with all previous and further extensions, if any, within such Extension Period, may not exceed [ ] consecutive [semi-annual] periods, including the first semi-annual period during such Extension Period, or extend beyond the Maturity Date of the Debentures. [Payments of Distributions that have accumulated but not been paid during any Extension Period will be payable to Holders as they appear on the books and records of the Trust on the record date for the first scheduled Distribution payment date following the expiration of such Extension Period and prior to the commencement of any new Extension Period. Upon the expiration of any Extension Period and the payment of all amounts then due, the Debenture Issuer may commence a new Extension Period, subject to the above requirements.]

[Subject to the conditions set forth in the Declaration and the Indenture, the Property Trustee shall, at the direction of the Sponsor, at any time dissolve the Trust and, upon satisfaction of the liabilities to creditors of the Trust as provided by law, cause the Debentures to be distributed to

the holders of the Securities in liquidation of the Trust [or, simultaneously with any redemption of the Debentures, cause a Like Amount of the Securities to be redeemed by the Trust.]

[The Preferred Securities shall be redeemable as provided in the Declaration.]

[The Preferred Securities shall be exchangeable for Debentures which, in turn, are convertible into [ ] as provided in the Declaration and the Indenture.]

Exhibit A-1-6

ASSIGNMENT FOR VALUE RECEIVED, the undersigned assigns and transfers this Preferred Security Certificate to: \_\_\_\_\_

\_\_\_\_\_

(Insert assignee's social security or tax identification number) \_\_\_\_\_

\_\_\_\_\_

(Insert address and zip code of assignee) and irrevocably appoints \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ agent to transfer this Preferred Security Certificate on the books of the Trust. The agent may substitute another to act for him or her.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

(Sign exactly as your name appears on the other side of this Preferred Security Certificate)

Signature Guarantee\*\*\*

- - - - -

\*\*\* Signature must be guaranteed by an "eligible guarantor institution" that is a bank, stockbroker, savings and loan association or credit union meeting the requirements of the Registrar, which requirements include membership or participation in the Securities Transfer Agents Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities and Exchange Act of 1934, as amended.

SCHEDULE A\*

The initial number of Preferred Securities evidenced by the Certificate to which this Schedule is attached is (having an aggregate Liquidation Amount of \$ ). The notations in the following table evidence decreases and increases in the number of Preferred Securities evidenced by such Certificate.

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- - - - -  
\* Append to Global Preferred Securities only.

EXHIBIT A-2

FORM OF COMMON SECURITY CERTIFICATE\*

THIS COMMON SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY STATE SECURITIES LAWS OR ANY OTHER APPLICABLE SECURITIES LAW. NEITHER THIS COMMON SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION UNLESS SUCH TRANSACTION IS EXEMPT FROM REGISTRATION.

THE COMMON SECURITIES ARE NOT TRANSFERABLE EXCEPT AS DESCRIBED IN THE DECLARATION (AS DEFINED BELOW).

Certificate No. \_\_\_\_\_ Number of Common Securities \_\_\_\_\_

CUSIP NO. \_\_\_\_\_

Certificate

Certificate Evidencing Common Securities

of

Halliburton Capital Trust I

\_\_\_\_% Common Securities

(Liquidation Amount \$\_\_\_\_\_ per Common Security)

Halliburton Capital Trust I, a statutory business trust created under the laws of the State of Delaware (the "Trust"), hereby certifies that \_\_\_\_\_ (the "Holder") is the registered owner of \$ \_\_\_\_\_ in aggregate Liquidation Amount of Common Securities of the Trust representing undivided beneficial interests in the assets of the Trust designated the Series \_\_\_\_\_ % Common Securities (Liquidation Amount \$ \_\_\_\_\_ per Common Security) (the "Common Securities"). Subject to the Declaration (as defined below), the Common Securities are transferable on the books and records of the Trust, in Person or by a duly authorized attorney, upon surrender of this certificate duly endorsed and in proper form for transfer. The designation, rights, privileges, restrictions, preferences and other terms and provisions of the Common Securities represented hereby are issued and shall in all respects be subject to the provisions of the Amended and Restated Declaration of Trust of the Trust dated as of \_\_\_\_\_, as the same may be amended from time to time (the "Declaration"), including the designation of the terms of the Common Securities as set forth in Annex I to the Declaration. Capitalized terms used but not defined herein shall have the meaning given them in the Declaration. The Sponsor will provide a copy of the Declaration, the Preferred Securities Guarantee, the Common Securities Guarantee and the Indenture (including any supplemental

indenture) to a Holder without charge upon written request to the Trust at its principal place of business.

Upon receipt of this certificate, the Holder is bound by the Declaration and is entitled to the benefits thereunder and to the benefits of the Common Securities Guarantee to the extent provided therein.

By acceptance hereof, the Holder agrees to treat, for United States federal income tax purposes, the Debentures as indebtedness and the Common Securities as evidence of indirect beneficial ownership in the Debentures.

IN WITNESS WHEREOF, the Trust has executed this certificate this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

Halliburton Capital Trust I

By: \_\_\_\_\_

Name: \_\_\_\_\_

\_\_\_\_\_

Administrative Trustee

Exhibit A-2-2

[FORM OF REVERSE OF SECURITY]

Distributions payable on each Common Security will be fixed at a rate per annum of [ ]% (the "Coupon Rate") of the Liquidation Amount of \$ [ ] per Common Security, such rate being the rate of interest payable on the Debentures to be held by the Property Trustee. Distributions in arrears for more than one [semi-annual] period will bear interest thereon compounded semiannually at the Coupon Rate (to the extent permitted by applicable law). The term "Distributions", as used herein, includes such cash distributions and any such interest payable unless otherwise stated. A Distribution is payable only to the extent that payments are made in respect of the Debentures held by the Property Trustee and to the extent the Property Trustee has funds available therefor.

Distributions on the Common Securities will be cumulative, will accumulate from and including the most recent date to which Distributions have been paid or, if no Distributions have been paid, from and including [ ], [ ] to but excluding the related Distribution Date or any date fixed for redemption, and will be payable [semi-annually] in arrears on [ ] and [ ] of each year, commencing on [ ], [ ], except as otherwise described below and in the Declaration. Distributions will be computed on the basis of a 360-day year consisting of twelve 30 day months and, for any period of less than a full calendar month, the number of days elapsed in such month.

[As long as no Event of Default (as defined in the Indenture) has occurred and is continuing, the Debenture Issuer has the right under the Indenture to defer the payment of interest on the Debentures at any time and from time for a period not exceeding [ ] consecutive calendar [semi-annual] periods, including the first such semi-annual period during such extension period (each an "Extension Period"), provided, however, that no Extension Period shall extend beyond the Maturity Date of the Debentures. Distributions will be deferred during any Extension Period. Notwithstanding such deferral, Distributions will continue to accumulate with interest thereon (to the extent permitted by applicable law, but not at a rate exceeding the rate of interest then accruing on the Debentures) at the Coupon Rate compounded [semi-annually] during any Extension Period. Prior to the termination of any Extension Period, the Debenture Issuer may further defer payments of interest by further extending such Extension Period; provided, however, that such Extension Period, together with all previous and further extensions, if any, within such Extension Period, may not exceed [ ] consecutive [semi-annual] periods, including the first semi-annual period during such Extension Period, or extend beyond the Maturity Date of the Debentures. [Payments of Distributions that have accumulated but not been paid during any Extension Period will be payable to Holders as they appear on the books and records of the Trust on the record date for the first Distribution Date following the expiration of such Extension Period. Upon the expiration of any Extension Period and the payment of all amounts then due, the Debenture Issuer may commence a new Extension Period, subject to the above requirements.]

[Subject to the conditions set forth in the Declaration and the Indenture, the Property Trustee shall, at the direction of the Sponsor, at any time dissolve the Trust and, upon satisfaction of the liabilities to creditors of the Trust as provided by law, cause the Debentures to be distributed to the holders of the Securities in liquidation of the Trust [or, simultaneously with any redemption of the Debentures, cause a Like Amount of the Securities to be redeemed by the Trust.]

[The Common Securities shall be redeemable as provided in the Declaration.]

[The Common Securities shall be exchangeable for Debentures which, in turn, shall be convertible into [ ] as provided in the Declaration and Indenture.]

Exhibit A-2-4

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PREFERRED SECURITIES GUARANTEE AGREEMENT

HALLIBURTON COMPANY

AND

JPMORGAN CHASE BANK,

AS PREFERRED SECURITIES GUARANTEE TRUSTEE

\_\_\_\_% PREFERRED SECURITIES OF

HALLIBURTON CAPITAL TRUST I

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Dated as of \_\_\_\_\_, \_\_\_\_

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PREFERRED SECURITIES GUARANTEE AGREEMENT

THIS GUARANTEE AGREEMENT (this "Preferred Securities Guarantee"), dated as of \_\_\_\_\_, \_\_\_\_, is executed and delivered by Halliburton Company, a Delaware corporation (the "Guarantor"), and JPMorgan Chase Bank, a New York banking corporation, as trustee (the "Preferred Securities Guarantee Trustee"), for the benefit of the Holders (as defined herein) from time to time of the Preferred Securities (as defined herein) of Halliburton Capital Trust I, a Delaware statutory business trust (the "Issuer").

WHEREAS, pursuant to the Declaration (as defined herein) the Issuer is issuing on the date hereof \$\_\_\_\_\_ in aggregate liquidation amount of its \_\_\_\_% Preferred Securities (collectively the "Preferred Securities") having a liquidation amount \$\_\_\_\_\_ per Preferred Security.

WHEREAS, as incentive for the Holders to purchase the Preferred Securities, the Guarantor desires irrevocably and unconditionally to agree, to the extent set forth in this Preferred Securities Guarantee, to pay to the Holders the Guarantee Payments (as defined below) and to make certain other payments on the terms and conditions set forth herein.

WHEREAS, the Guarantor is executing and delivering a guarantee agreement (the "Common Securities Guarantee"), with substantially identical terms to this Preferred Securities Guarantee, for the benefit of the holders of the Common Securities (as defined herein), except that, if an Event of Default (as defined in the Declaration) has occurred and is continuing, the rights of holders of the Common Securities to receive Guarantee Payments under the Common Securities Guarantee are subordinated, to the extent and in the manner set forth in the Common Securities Guarantee, to the rights of holders of Preferred Securities to receive Guarantee Payments under this Preferred Securities Guarantee.

NOW, THEREFORE, in consideration of the purchase by each Holder, which purchase the Guarantor hereby acknowledges shall benefit the Guarantor, the Guarantor executes and delivers this Preferred Securities Guarantee for the benefit of the Holders.

ARTICLE I  
DEFINITIONS AND INTERPRETATION

SECTION 1.1 Definitions and Interpretation.

In this Preferred Securities Guarantee, unless the context otherwise requires:

(a) capitalized terms defined in the Declaration as at the date of execution of this Preferred Securities Guarantee have the same meaning when used in this Preferred Securities Guarantee unless otherwise defined in this Preferred Securities Guarantee;

(b) other capitalized terms used in this Preferred Securities Guarantee but not defined in the preamble above have the respective meanings assigned to them in this Section 1.1;

(c) a term defined anywhere in this Preferred Securities Guarantee has the same meaning throughout;

(d) all references to "the Preferred Securities Guarantee" or "this Preferred Securities Guarantee" are to this Preferred Securities Guarantee as modified, supplemented or amended from time to time;

(e) all references in this Preferred Securities Guarantee to "Articles" and "Sections" are to Articles and Sections of this Preferred Securities Guarantee, unless otherwise specified;

(f) a term defined in the Trust Indenture Act has the same meaning when used in this Preferred Securities Guarantee, unless otherwise defined in this Preferred Securities Guarantee or unless the context otherwise requires; and

(g) a reference to the singular includes the plural and vice versa.

"Affiliate" has the same meaning as given to that term in Rule 405 under the Securities Act of 1933, as amended, or any successor rule thereunder.

"Business Day" means any day other than a Saturday or a Sunday, or a day on which banking institutions in New York, New York or Houston, Texas are authorized or required by law or executive order to close.

"Common Securities" means the securities representing common undivided beneficial interests in the assets of the Issuer.

"Corporate Trust Office" means the office of the Preferred Securities Guarantee Trustee at which the corporate trust business of the Preferred Securities Guarantee Trustee shall, at any particular time, be principally administered, which office at the date of execution of this Agreement is located at 600 Travis Street, 11th Floor, Houston, Texas 77002.

"Covered Person" means any Holder or beneficial owner of Preferred Securities.

"Debentures" means the series of [junior] subordinated debt securities of the Guarantor designated the [ \_\_\_% Debentures due \_\_\_\_, \_\_, ] held by the Property Trustee (as defined in the Declaration) of the Issuer.

"Declaration" means the Amended and Restated Declaration of Trust, dated as of \_\_\_\_, \_\_, as amended, modified or supplemented from time to time, among the trustees named therein, and the Guarantor, as sponsor, made for the benefit of the holders from time to time of undivided beneficial ownership interests in the assets of the Issuer.

"Event of Default" means [(a)] a default by the Guarantor on any of its payment or other obligations under this Preferred Securities Guarantee [or (b) if applicable, the failure by the Guarantor to deliver [other securities of Guarantor] upon an appropriate election by the Holders of Preferred Securities to exchange the Preferred Securities for [such securities]]; provided, however, that with respect to a default other than a default in payment of any Guarantee Payment, the Guarantor shall have received notice of such default and shall not have cured such default within 60 days after receipt of such notice.

"Guarantee Payments" means the following payments or distributions, without duplication, with respect to the Preferred Securities, to the extent not paid or made by the Issuer: (i) any accumulated and unpaid Distributions (as defined in the Declaration) that are required to be paid on such Preferred Securities to the extent the Issuer has funds on hand legally available therefor at such time, (ii) the redemption price, including all accumulated and unpaid Distributions to the date of redemption (the "Redemption Price") to the extent the Issuer has funds on hand legally available therefor at such time, with respect to any Preferred Securities called for redemption by the Issuer, and (iii) upon a voluntary or involuntary dissolution, winding up or liquidation of the Issuer (other than in connection with the distribution of Debentures to the Holders in exchange for Preferred Securities [or an exchange of all the Trust Securities for other securities of the Guarantor] as provided in the Declaration), the lesser of (a) the aggregate of the liquidation amount and all accumulated and unpaid Distributions on the Preferred Securities to the date of payment, to the extent the Issuer has funds on hand legally available therefor, and (b) the amount of assets of the Issuer remaining available for distribution to Holders in liquidation of the Issuer after satisfaction of liabilities to creditors of the Issuer as required by applicable law. If an Event of Default has occurred and is continuing, no Guarantee Payments under the Common Securities Guarantee with respect to the Common Securities or any guarantee payment under any Other Guarantees shall be made until the Holders shall be paid in full the Guarantee Payments to which they are entitled under this Preferred Securities Guarantee.

"Holder" shall mean any holder, as registered on the books and records of the Issuer, of any Preferred Securities; provided, however, that, in determining whether the holders of the requisite percentage of Preferred Securities have given any request, notice, consent or waiver hereunder, "Holder" shall not include the Guarantor or any Person known to a Responsible Officer of the Preferred Securities Guarantee Trustee to be an Affiliate of the Guarantor and provided further, that in determining whether the Holders of the requisite liquidation amount of Preferred Securities have voted on any matter provided for in the Guarantee, then for the purpose of such determination only (and not for any other purposes hereunder), if the Preferred Securities remain in the form of one or more Global Preferred Security (as defined in the Declaration), the term "Holders" shall mean the holder of the Global Preferred Security acting at the direction of the Preferred Security Beneficial Owners (as defined in the Declaration).

"Indemnified Person" means the Preferred Securities Guarantee Trustee, any Affiliate of the Preferred Securities Guarantee Trustee, or any officers, directors, shareholders, members, partners, employees, representatives, nominees, custodians or agents of the Preferred Securities Guarantee Trustee.

"Indenture" means the [Subordinated Indenture dated as of January 2, 1991 between the Guarantor (the "Debenture Issuer") and Texas Commerce Bank National Association (now JPMorgan Chase Bank)] [the Junior Subordinated Indenture dated as of November 29, 2001 between the Guarantor (the "Debenture Issuer") and JPMorgan Chase Bank], as trustee (the "Indenture Trustee"), and any indenture supplemental thereto, pursuant to which the Debentures are to be issued to the Property Trustee (as defined in the Declaration) of the Issuer.

"Indenture Event of Default" shall mean any event specified in Section 5.1 of the Indenture.

"Majority in liquidation amount of the Preferred Securities" means, except as provided by the Declaration or by the Trust Indenture Act, a vote by Holder(s) of more than 50% of the aggregate liquidation amount of all outstanding Preferred Securities voting together as a class. In determining whether the Holders of the requisite amount of the Preferred Securities have voted, Preferred Securities that are owned by the Guarantor or any Affiliate of the Guarantor shall be disregarded for the purpose of any such determination period.

"Officers' Certificate" means, with respect to the Guarantor, a certificate signed by any of the Chairman of the Board, a Vice Chairman of the Board, the Chief Executive Officer, the President or a Vice President and by the Treasurer, an Assistant Treasurer, the Secretary or an Assistant Secretary of the Guarantor. Any Officers' Certificate delivered with respect to compliance with a condition or covenant provided for in this Preferred Securities Guarantee (other than pursuant to Section 314(d)(4) of the Trust Indenture Act) shall include:

(a) a statement that each officer signing the Officers' Certificate has read the covenant or condition and the definitions relating thereto;

(b) a brief statement of the nature and scope of the examination or investigation undertaken by each officer on behalf of such Person in rendering the Officers' Certificates;

(c) a statement that each such officer has made such examination or investigation as, in such officer's opinion, is necessary to enable such officer to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether, in the opinion of each such officer, such condition or covenant has been complied with.

"Other Debentures" means all [junior] subordinated debentures issued by the Guarantor from time to time and sold to trusts to be established by the Guarantor (if any), in each case similar to the Issuer.

"Other Guarantees" means all guarantees to be issued by the Guarantor with respect to capital securities (if any) similar to the Preferred Securities issued by other trusts to be established by the Guarantor (if any), in each case similar to the Issuer.

"Person" means a legal person, including any individual, corporation, estate, partnership, joint venture, association, joint stock company, limited liability company, trust, unincorporated association, or government or any agency or political subdivision thereof, or any other entity of whatever nature.

"Preferred Securities Guarantee Trustee" means JPMorgan Chase Bank, a New York banking corporation, until a Successor Preferred Securities Guarantee Trustee has been appointed and has accepted such appointment pursuant to the terms of this Preferred Securities Guarantee and thereafter means each such Successor Preferred Securities Guarantee Trustee.

"Responsible Officer" means, with respect to the Preferred Securities Guarantee Trustee, any officer within the Corporate Trust Office of the Preferred Securities Guarantee Trustee with direct responsibility for the administration of this Preferred Securities Guarantee and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of that officer's knowledge of and familiarity with the particular subject.

"Successor Preferred Securities Guarantee Trustee" means a successor Preferred Securities Guarantee Trustee possessing the qualifications to act as Preferred Securities Guarantee Trustee under Section 4.1.

"Trust Indenture Act" means the Trust Indenture Act of 1939, as amended from time to time, or any successor legislation.

"Trust Securities" means the Common Securities and the Preferred Securities, collectively.

## ARTICLE II

### TRUST INDENTURE ACT

#### SECTION 2.1 Trust Indenture Act; Application.

(a) This Preferred Securities Guarantee is subject to the provisions of the Trust Indenture Act that are required to be part of this Preferred Securities Guarantee and shall, to the extent applicable, be governed by such provisions.

(b) If and to the extent that any provision of this Preferred Securities Guarantee limits, qualifies or conflicts with the duties imposed by Section 310 to 317, inclusive, of the Trust Indenture Act, such imposed duties shall control.

#### SECTION 2.2 Lists of Holders of Securities.

(a) The Guarantor shall provide the Preferred Securities Guarantee Trustee (unless the Preferred Securities Guarantee Trustee is otherwise the registrar of the Preferred Securities) with a list, in such form as the Preferred Securities Guarantee Trustee may reasonably require, of the names and addresses of the Holders ("List of Holders") as of such date, (i) within 14 days after each record date for payment of Distributions (as defined in the Declaration), and (ii) at any other time within 30 days of receipt by the Guarantor of a written request for a List of Holders as of a date no more than 14 days before such List of Holders is given to the Preferred Securities Guarantee Trustee, provided, that the Guarantor shall not be obligated to provide such List of Holders at any time that the Guarantor certifies in writing to the Preferred Securities Guarantee Trustee that the List of Holders does not differ from the most recent List of Holders given to the Preferred Securities Guarantee Trustee by the Guarantor. The Preferred Securities Guarantee Trustee may destroy any List of Holders previously given to it on receipt of a new List of Holders.

(b) The Preferred Securities Guarantee Trustee shall comply with its obligations under Sections 311(a), 311(b) and Section 312(b) of the Trust Indenture Act.

SECTION 2.3 Reports by the Preferred Securities Guarantee Trustee.

Within 60 days after \_\_\_\_\_ of each year, commencing \_\_\_\_\_, \_\_\_\_\_, the Preferred Securities Guarantee Trustee shall provide to the Holders such reports as are required by Section 313 of the Trust Indenture Act, if any, in the form and in the manner provided by Section 313 of the Trust Indenture Act. The Preferred Securities Guarantee Trustee shall also comply with the other requirements of Section 313 of the Trust Indenture Act.

SECTION 2.4 Periodic Reports to Preferred Securities Guarantee Trustee.

The Guarantor shall provide to the Preferred Securities Guarantee Trustee such documents, reports and information as required by Section 314 (if any) and the compliance certificate required by Section 314 of the Trust Indenture Act in the form, in the manner and at the times required by Section 314 of the Trust Indenture Act. Delivery of such reports, information and documents to the Preferred Securities Guarantee Trustee is for informational purposes only and the Preferred Securities Guarantee Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Guarantor's compliance with any of its covenants hereunder (as to which the Preferred Securities Guarantee Trustee is entitled to rely exclusively on Officers' Certificates).

SECTION 2.5 Evidence of Compliance with Conditions Precedent.

The Guarantor shall provide to the Preferred Securities Guarantee Trustee such evidence of compliance with any conditions precedent, if any, provided for in this Preferred Securities Guarantee that relate to any of the matters set forth in Section 314(c) of the Trust Indenture Act. Any certificate or opinion required to be given by an officer pursuant to Section 314(c)(1) may be given in the form of an Officers' Certificate.

SECTION 2.6 Event of Default; Waiver.

The Holders of a Majority in liquidation amount of Preferred Securities may, by vote, on behalf of all Holders, waive any past Event of Default and its consequences. Upon such waiver, any such Event of Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Preferred Securities Guarantee, but no such waiver shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon.

SECTION 2.7 Event of Default; Notice.

(a) The Preferred Securities Guarantee Trustee shall, within 90 days after the occurrence of an Event of Default with respect to this Preferred Securities Guarantee actually known to a Responsible Officer, mail by first class postage prepaid, to all Holders, notices of all such Events of Default, unless such defaults have been cured before the giving of such notice, provided, that, except in the case of default in the payment of any Guarantee Payment, the Preferred Securities Guarantee Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee, or a trust committee of directors and/or a

Responsible Officer in good faith determines that the withholding of such notice is in the interests of the Holders.

(b) The Preferred Securities Guarantee Trustee shall not be deemed to have knowledge of any Event of Default unless the Preferred Securities Guarantee Trustee shall have received written notice from the Guarantor, or a Responsible Officer charged with the administration of this Preferred Securities Guarantee shall have obtained actual knowledge, of such Event of Default.

SECTION 2.8 Conflicting Interests.

The Declaration shall be deemed to be specifically described in this Preferred Securities Guarantee for the purposes of clause (i) of the first proviso contained in Section 310(b) of the Trust Indenture Act.

ARTICLE III

POWERS, DUTIES AND RIGHTS

OF PREFERRED SECURITIES GUARANTEE TRUSTEE

SECTION 3.1 Powers and Duties of the Preferred Securities Guarantee Trustee.

(a) This Preferred Securities Guarantee shall be held by the Preferred Securities Guarantee Trustee for the benefit of the Holders, and the Preferred Securities Guarantee Trustee shall not transfer this Preferred Securities Guarantee to any Person except a Holder exercising his or her rights pursuant to Section 5.4(b) or to a Successor Preferred Securities Guarantee Trustee on acceptance by such Successor Preferred Securities Guarantee Trustee of its appointment to act as Successor Preferred Securities Guarantee Trustee. The right, title and interest of the Preferred Securities Guarantee Trustee shall automatically vest in any Successor Preferred Securities Guarantee Trustee, and such vesting and succession of title shall be effective whether or not conveyancing documents have been executed and delivered pursuant to the appointment of such Successor Preferred Securities Guarantee Trustee.

(b) If an Event of Default actually known to a Responsible Officer has occurred and is continuing, the Preferred Securities Guarantee Trustee shall enforce this Preferred Securities Guarantee for the benefit of the Holders.

(c) The Preferred Securities Guarantee Trustee, before the occurrence of any Event of Default and after the curing of all Events of Default that may have occurred, shall undertake to perform only such duties as are specifically set forth in this Preferred Securities Guarantee, and no implied covenants shall be read into this Preferred Securities Guarantee against the Preferred Securities Guarantee Trustee. In case an Event of Default has occurred (that has not been cured or waived pursuant to Section 2.6) and is actually known to a Responsible Officer, the Preferred Securities Guarantee Trustee shall exercise such of the rights and powers vested in it by this Preferred Securities Guarantee, and use the same degree of care and skill in its exercise thereof, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(d) No provision of this Preferred Securities Guarantee shall be construed to relieve the Preferred Securities Guarantee Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) prior to the occurrence of any Event of Default and after the curing or waiving of all such Events of Default that may have occurred:

(A) the duties and obligations of the Preferred Securities Guarantee Trustee shall be determined solely by the express provisions of this Preferred Securities Guarantee, and the Preferred Securities Guarantee Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Preferred Securities Guarantee, and no implied covenants or obligations shall be read into this Preferred Securities Guarantee against the Preferred Securities Guarantee Trustee; and

(B) in the absence of bad faith on the part of the Preferred Securities Guarantee Trustee, the Preferred Securities Guarantee Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Preferred Securities Guarantee Trustee and conforming to the requirements of this Preferred Securities Guarantee; but in the case of any such certificates or opinions that by any provision hereof are specifically required to be furnished to the Preferred Securities Guarantee Trustee, the Preferred Securities Guarantee Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Preferred Securities Guarantee;

(ii) the Preferred Securities Guarantee Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Preferred Securities Guarantee Trustee was negligent in ascertaining the pertinent facts upon which such judgment was made;

(iii) the Preferred Securities Guarantee Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of a Majority in liquidation amount of the Preferred Securities relating to the time, method and place of conducting any proceeding for any remedy available to the Preferred Securities Guarantee Trustee, or exercising any trust or power conferred upon the Preferred Securities Guarantee Trustee under this Preferred Securities Guarantee; and

(iv) no provision of this Preferred Securities Guarantee shall require the Preferred Securities Guarantee Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if the Preferred Securities Guarantee Trustee shall have reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it under the terms of this Preferred Securities Guarantee or indemnity, reasonably satisfactory to the Preferred Securities Guarantee Trustee, against such risk or liability is not reasonably assured to it.

### SECTION 3.2 Certain Rights of Preferred Securities Guarantee Trustee.

(a) Subject to the provisions of Section 3.1:

(i) The Preferred Securities Guarantee Trustee may conclusively rely, and shall be fully protected in acting or refraining from acting, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed, sent or presented by the proper party or parties.

(ii) Any direction or act of the Guarantor contemplated by this Preferred Securities Guarantee may be sufficiently evidenced by an Officers' Certificate.

(iii) Whenever, in the administration of this Preferred Securities Guarantee, the Preferred Securities Guarantee Trustee shall deem it desirable that a matter be proved or established before taking, suffering or omitting any action hereunder, the Preferred Securities Guarantee Trustee (unless other evidence is herein specifically prescribed) may, in the absence of bad faith on its part, request and conclusively rely upon an Officers' Certificate which, upon receipt of such request, shall be promptly delivered by the Guarantor.

(iv) The Preferred Securities Guarantee Trustee shall have no duty to see to any recording, filing or registration of any instrument (or any rerecording, refiling or registration thereof).

(v) The Preferred Securities Guarantee Trustee may consult with counsel of its selection, and the advice or opinion of such counsel with respect to legal matters shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with such advice or opinion. Such counsel may be counsel to the Guarantor or any of its Affiliates and may include any of its employees. The Preferred Securities Guarantee Trustee shall have the right at any time to seek instructions concerning the administration of this Preferred Securities Guarantee from any court of competent jurisdiction.

(vi) The Preferred Securities Guarantee Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Preferred Securities Guarantee at the request or direction of any Holder, unless such Holder shall have provided to the Preferred Securities Guarantee Trustee such security and indemnity, reasonably satisfactory to the Preferred Securities Guarantee Trustee, against the costs, expenses (including attorneys' fees and expenses and the expenses of the Preferred Securities Guarantee Trustee's agents, nominees or custodians) and liabilities that might be incurred by it in complying with such request or direction, including such reasonable advances as may be requested by the Preferred Securities Guarantee Trustee; provided that, nothing contained in this Section 3.2(a)(vi) shall be taken to relieve the Preferred Securities Guarantee Trustee, upon the occurrence of an Event of Default known to the Preferred Securities Guarantee Trustee, of its obligation to exercise the rights and powers vested in it by this Preferred Securities Guarantee.

(vii) The Preferred Securities Guarantee Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Preferred Securities Guarantee

Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit.

(viii) The Preferred Securities Guarantee Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, nominees, custodians or attorneys, and the Preferred Securities Guarantee Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

(ix) Any action taken by the Preferred Securities Guarantee Trustee or its agents hereunder shall bind the Holders, and the signature of the Preferred Securities Guarantee Trustee or its agents alone shall be sufficient and effective to perform any such action. No third party shall be required to inquire as to the authority of the Preferred Securities Guarantee Trustee so to act or as to its compliance with any of the terms and provisions of this Preferred Securities Guarantee, both of which shall be conclusively evidenced by the Preferred Securities Guarantee Trustee's or its agent's taking such action.

(x) Whenever in the administration of this Preferred Securities Guarantee the Preferred Securities Guarantee Trustee shall deem it desirable to receive instructions with respect to enforcing any remedy or right or taking any other action hereunder, the Preferred Securities Guarantee Trustee (i) may request instructions from the Holders of a Majority in liquidation amount of the Preferred Securities, (ii) may refrain from enforcing such remedy or right or taking such other action until such instructions are received, and (iii) shall be protected in conclusively relying on or acting in accordance with such instructions.

(xi) The Preferred Securities Guarantee Trustee shall not be liable for any action taken, suffered, or omitted to be taken by it in good faith, without negligence, and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Preferred Securities Guarantee.

(b) No provision of this Preferred Securities Guarantee shall be deemed to impose any duty or obligation on the Preferred Securities Guarantee Trustee to perform any act or acts or exercise any right, power, duty or obligation conferred or imposed on it in any jurisdiction in which it shall be illegal, or in which the Preferred Securities Guarantee Trustee shall be unqualified or incompetent in accordance with applicable law, to perform any such act or acts or to exercise any such right, power, duty or obligation. No permissive power or authority available to the Preferred Securities Guarantee Trustee shall be construed to be a duty.

#### SECTION 3.3 Not Responsible for Recitals or Issuance of Preferred Securities Guarantee.

The recitals contained in this Preferred Securities Guarantee shall be taken as the statements of the Guarantor, and the Preferred Securities Guarantee Trustee does not assume any responsibility for their correctness. The Preferred Securities Guarantee Trustee makes no representation as to the validity or sufficiency of this Preferred Securities Guarantee.

ARTICLE IV  
PREFERRED SECURITIES GUARANTEE TRUSTEE

SECTION 4.1 Preferred Securities Guarantee Trustee; Eligibility.

(a) There shall at all times be a Preferred Securities Guarantee Trustee which shall:

(i) not be an Affiliate of the Guarantor; and

(ii) be a corporation organized and doing business under the laws of the United States of America or any State or Territory thereof or of the District of Columbia, or a corporation or Person permitted by the Securities and Exchange Commission to act as an institutional trustee under the Trust Indenture Act, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least 50 million U.S. dollars (\$50,000,000), and subject to supervision or examination by Federal, State, Territorial or District of Columbia authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the supervising or examining authority referred to above, then, for the purposes of this Section 4.1(a)(ii), the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

(b) If at any time the Preferred Securities Guarantee Trustee shall cease to be eligible so to act under Section 4.1(a), the Preferred Securities Guarantee Trustee shall immediately resign in the manner and with the effect set out in Section 4.2(c).

(c) If the Preferred Securities Guarantee Trustee has or shall acquire any "conflicting interest" within the meaning of Section 310(b) of the Trust Indenture Act, the Preferred Securities Guarantee Trustee and Guarantor shall in all respects comply with the provisions of Section 310(b) of the Trust Indenture Act.

SECTION 4.2 Appointment, Removal and Resignation of Preferred Securities Guarantee Trustee.

(a) Subject to Section 4.2(b), the Preferred Securities Guarantee Trustee may be appointed or removed without cause at any time by the Guarantor except during an Event of Default.

(b) The Preferred Securities Guarantee Trustee shall not be removed in accordance with Section 4.2(a) until a Successor Preferred Securities Guarantee Trustee has been appointed and has accepted such appointment by written instrument executed by such Successor Preferred Securities Guarantee Trustee and delivered to the Guarantor.

(c) The Preferred Securities Guarantee Trustee shall hold office until a Successor Preferred Securities Guarantee Trustee shall have been appointed or until its removal or resignation. The Preferred Securities Guarantee Trustee may resign from office (without need for prior or subsequent accounting) by an instrument in writing executed by the Preferred Securities Guarantee Trustee and delivered to the Guarantor, which resignation shall not take effect until a Successor Preferred Securities Guarantee Trustee has been appointed and has accepted such

appointment by instrument in writing executed by such Successor Preferred Securities Guarantee Trustee and delivered to the Guarantor and the resigning Preferred Securities Guarantee Trustee.

(d) If no Successor Preferred Securities Guarantee Trustee shall have been appointed and accepted appointment as provided in this Section 4.2 within 60 days after delivery of an instrument of removal or resignation, the Preferred Securities Guarantee Trustee resigning or being removed may petition any court of competent jurisdiction for appointment of a Successor Preferred Securities Guarantee Trustee. Such court may thereupon, after prescribing such notice, if any, as it may deem proper, appoint a Successor Preferred Securities Guarantee Trustee.

(e) No Preferred Securities Guarantee Trustee shall be liable for the acts or omissions to act of any Successor Preferred Securities Guarantee Trustee.

(f) Upon termination of this Preferred Securities Guarantee or removal or resignation of the Preferred Securities Guarantee Trustee pursuant to this Section 4.2, the Guarantor shall pay to the Preferred Securities Guarantee Trustee all amounts due to the Preferred Securities Guarantee Trustee accrued to the date of such termination, removal or resignation.

#### SECTION 4.3 Compensation and Expenses of Trustee.

The Guarantor covenants and agrees to pay to the Preferred Securities Guarantee Trustee from time to time, and the Preferred Securities Guarantee Trustee shall be entitled to, such compensation as shall be agreed to in writing between the Guarantor and the Preferred Securities Guarantee Trustee (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust), and the Guarantor will pay or reimburse the Preferred Securities Guarantee Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Preferred Securities Guarantee Trustee in accordance with any of the provisions of this Preferred Securities Guarantee (including the reasonable compensation and the expenses and disbursements of its counsel and of all persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence or bad faith. The Guarantor also covenants to indemnify each of the Preferred Securities Guarantee Trustee or any predecessor Preferred Securities Guarantee Trustee (and its officers, agents, directors and employees) for, and to hold it harmless against, any and all loss, damage, claim, liability or expense including taxes (other than taxes based on the income of the Preferred Securities Guarantee Trustee) incurred without negligence or bad faith on the part of the Preferred Securities Guarantee Trustee and arising out of or in connection with the acceptance or administration of this Preferred Securities Guarantee, including the costs and expenses (including reasonable legal fees and expenses) of defending itself against, or investigating, any claim of liability in the premises. This provision of this Section 4.3 shall survive the resignation or removal of the Preferred Securities Guarantee Trustee and the termination of this Guarantee.

### ARTICLE V GUARANTEE

#### SECTION 5.1 Guarantee.

The Guarantor irrevocably and unconditionally agrees to pay in full to the Holders the Guarantee Payments (without duplication of amounts theretofore paid by the Issuer), as and when due, regardless of any defense, right of set off or counterclaim that the Issuer may have or assert. The Guarantor's obligation to make a Guarantee Payment may be satisfied by direct

payment of the required amounts by the Guarantor to the Holders or by causing the Issuer to pay such amounts to the Holders.

SECTION 5.2 Waiver of Notice and Demand.

The Guarantor hereby waives notice of acceptance of this Preferred Securities Guarantee and of any liability to which it applies or may apply, presentment, demand for payment, any right to require a proceeding first against the Issuer or any other Person before proceeding against the Guarantor, protest, notice of nonpayment, notice of dishonor, notice of redemption and all other notices and demands. Notwithstanding anything to the contrary herein, the Guarantor retains all of its rights under the Indenture to extend the interest payment period on the [Junior] Subordinated Debentures and the Guarantor shall not be obligated hereunder to make any Guarantee Payment during any extended Interest Payment Period (as defined in the Indenture) with respect to the Distributions (as defined in the Declaration) on the Preferred Securities.

SECTION 5.3 Obligations Not Affected.

The obligations, covenants, agreements and duties of the Guarantor under this Preferred Securities Guarantee shall be absolute and unconditional and shall remain in full force and effect until the entire liquidation amount of all outstanding Preferred Securities shall have been paid and such obligation shall in no way be affected or impaired by reason of the happening from time to time of any of the following:

(a) the release or waiver, by operation of law or otherwise, of the performance or observance by the Issuer of any express or implied agreement, covenant, term or condition relating to the Preferred Securities to be performed or observed by the Issuer;

(b) the extension of time for the payment by the Issuer of all or any portion of the Distributions, Redemption Price, Liquidation Distribution or any other sums payable under the terms of the Preferred Securities or the extension of time for the performance of any other obligation under, arising out of, or in connection with, the Preferred Securities (other than an extension of time for payment of Distributions, Redemption Price, Liquidation Distribution or other sum payable that results from the extension of any interest payment period on the Debentures permitted by the Indenture);

(c) any failure, omission, delay or lack of diligence on the part of the Property Trustee or the Holders to enforce, assert or exercise any right, privilege, power or remedy conferred on the Property Trustee or the Holders pursuant to the terms of the Preferred Securities, or any action on the part of the Issuer granting indulgence or extension of any kind;

(d) the voluntary or involuntary liquidation, dissolution, sale of any collateral, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition or readjustment of debt of, or other similar proceedings affecting, the Issuer or any of the assets of the Issuer;

(e) any invalidity of, or defect or deficiency in, the Preferred Securities;

(f) the settlement or compromise of any obligation guaranteed hereby or hereby incurred; or

(g) any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a guarantor, it being the intent of this Section 5.3 that the obligations of the Guarantor with respect to the Guarantee Payments shall be absolute and unconditional under any and all circumstances.

There shall be no obligation of the Holders to give notice to, or obtain consent of, the Guarantor with respect to the happening of any of the foregoing.

#### SECTION 5.4 Rights of Holders.

(a) The Holders of a Majority in liquidation amount of the Preferred Securities have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Preferred Securities Guarantee Trustee in respect of this Preferred Securities Guarantee or exercising any trust or power conferred upon the Preferred Securities Guarantee Trustee under this Preferred Securities Guarantee.

(b) If the Preferred Securities Guarantee Trustee fails to enforce such Preferred Securities Guarantee, any Holder may institute a legal proceeding directly against the Guarantor to enforce its rights under this Preferred Securities Guarantee, without first instituting a legal proceeding against the Issuer, the Preferred Securities Guarantee Trustee or any other person or entity. Notwithstanding the foregoing, if the Guarantor has failed to make a Guarantee Payment, a Holder may directly institute a proceeding in such Holder's own name against the Guarantor for enforcement of the Preferred Securities Guarantee for such payment. The Guarantor waives any right or remedy to require that any action be brought first against the Issuer or any other person or entity before proceeding directly against the Guarantor.

#### SECTION 5.5 Guarantee of Payment.

This Preferred Securities Guarantee creates a guarantee of payment and not of collection.

#### SECTION 5.6 Subrogation.

The Guarantor shall be subrogated to all (if any) rights of the Holders against the Issuer in respect of any amounts paid to such Holders by the Guarantor under this Preferred Securities Guarantee; provided, however, that the Guarantor shall not (except to the extent required by mandatory provisions of law) be entitled to enforce or exercise any right that it may acquire by way of subrogation or any indemnity, reimbursement or other agreement, in all cases as a result of payment under this Preferred Securities Guarantee, if, at the time of any such payment, any amounts are due and unpaid under this Preferred Securities Guarantee. If any amount shall be paid to the Guarantor in violation of the preceding sentence, the Guarantor agrees to hold such amount in trust for the Holders and to pay over such amount to the Holders.

SECTION 5.7 Independent Obligations.

The Guarantor acknowledges that its obligations hereunder are independent of the obligations of the Issuer with respect to the Preferred Securities, and that the Guarantor shall be liable as principal and as debtor hereunder to make Guarantee Payments pursuant to the terms of this Preferred Securities Guarantee notwithstanding the occurrence of any event referred to in subsections (a) through (g), inclusive, of Section 5.3 hereof.

ARTICLE VI  
LIMITATION OF TRANSACTIONS; SUBORDINATION

SECTION 6.1 Limitation of Transactions.

So long as any Preferred Securities remain outstanding, the Guarantor shall not (i) declare or pay any dividends or distributions on, or redeem, purchase, acquire, or make a liquidation payment with respect to, any of the Guarantor's capital stock (which includes common and preferred stock) (other than (a) dividends or distributions in shares of, or options, warrants, rights to subscribe for or purchase shares of, common stock of the Guarantor, (b) any declaration of a dividend in connection with the implementation of a stockholders' rights plan, or the issuance of stock under any such plan in the future, or the redemption or repurchase of any such rights pursuant thereto, (c) as a result of a reclassification of the Guarantor's capital stock or the exchange or the conversion of one class or series of the Guarantor's capital stock for another class or series of the Guarantor's capital stock, (d) the purchase of fractional interests in shares of the Guarantor's capital stock pursuant to the conversion or exchange provisions of such capital stock or the security being converted or exchanged, and (e) purchases of the Guarantor's common stock related to the issuance of the Guarantor's common stock or rights under any of the Guarantor's benefit plans for its directors, officers, employees or any of the Guarantor's dividend reinvestment plans), (ii) make any payment of principal of, or premium, if any, or interest on or repay, repurchase or redeem any debt securities of the Guarantor (including any Other Debentures) that rank pari passu with or junior in right of payment to the Debentures or (iii) make any guarantee payments with respect to any guarantee (other than payments under the Preferred Securities Guarantee) by the Guarantor of the debt securities of any subsidiary of the Guarantor (including Other Guarantees) if such guarantee ranks pari passu with or junior in right of payment to the Debentures if at any such time (1) there shall have occurred any event of which the Guarantor has actual knowledge that (a) with the giving of notice or the lapse of time, or both, would constitute an Indenture Event of Default and (b) in respect of which the Guarantor shall not have taken reasonable steps to cure, (2) an Indenture Event of Default shall have occurred and be continuing, (3) such Debentures are held by the Property Trustee, the Guarantor shall be in default with respect to its payment of any obligations under this Preferred Securities Guarantee or (4) the Guarantor shall have given notice of its election of the exercise of its right to extend the interest payment period pursuant to Section 15.6 of the Indenture or any such extension period shall have commenced and be continuing.

SECTION 6.2 Ranking.

This Preferred Securities Guarantee shall constitute an unsecured obligation of the Guarantor and will rank (i) subordinate and junior in right of payment to [Senior] [Superior] Indebtedness (as

defined in the Indenture), to the same extent and in the same manner that the Debentures are subordinated to [Senior] [Superior] Indebtedness pursuant to the Indenture, and (ii) pari passu with the Debentures and any Other Guarantee.

ARTICLE VII  
TERMINATION

SECTION 7.1 Termination.

This Preferred Securities Guarantee shall terminate and be of no further force and effect (i) upon full payment of the Redemption Price (as defined in Annex I to the Declaration) of all Preferred Securities or (ii), upon liquidation of the Issuer, the full payment of the amounts payable with respect to the Preferred Securities in accordance with the Declaration or the distribution of the Debentures to the Holders and the holders of the Common Securities [or exchange of all the Trust Securities for [other securities of the Guarantor as provided in the Declaration]]. Notwithstanding the foregoing, this Preferred Securities Guarantee will continue to be effective or will be reinstated, as the case may be, if at any time any Holder must restore payment of any sums paid under the Preferred Securities or under this Preferred Securities Guarantee.

ARTICLE VIII  
INDEMNIFICATION

SECTION 8.1 Exculpation.

(a) No Indemnified Person shall be liable, responsible or accountable in damages or otherwise to the Guarantor or any Covered Person for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Indemnified Person in good faith in accordance with this Preferred Securities Guarantee and in a manner that such Indemnified Person reasonably believed to be within the scope of the authority conferred on such Indemnified Person by this Preferred Securities Guarantee or by law, except that an Indemnified Person shall be liable for any such loss, damage or claim incurred by reason of such Indemnified Person's negligence or willful misconduct with respect to such acts or omissions.

(b) An Indemnified Person shall be fully protected in relying in good faith upon the records of the Guarantor and upon such information, opinions, reports or statements presented to the Guarantor by any Person as to matters the Indemnified Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Guarantor, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits, losses, or any other facts pertinent to the existence and amount of assets from which Distributions to Holders might properly be paid.

SECTION 8.2 Indemnification.

The Guarantor agrees to indemnify each Indemnified Person for, and to hold each Indemnified Person harmless against, any and all loss, liability, damage, claim or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the trust or trusts hereunder, including the costs and expenses

(including reasonable legal fees and expenses) of defending itself against, or investigating, any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder. The provisions in this Section 8.2 shall survive the termination of this Preferred Securities Guarantee and the resignation or removal of the Preferred Securities Guarantee Trustee.

ARTICLE IX  
MISCELLANEOUS

SECTION 9.1 Successors and Assigns.

All guarantees and agreements contained in this Preferred Securities Guarantee shall bind the successors, assigns, receivers, trustees and representatives of the Guarantor and shall inure to the benefit of the Holders then outstanding.

SECTION 9.2 Amendments.

Except with respect to any changes that do not materially adversely affect the rights of Holders (in which case no consent of Holders will be required), this Preferred Securities Guarantee may only be amended with the prior approval of the Holders of a Majority in liquidation amount of the Preferred Securities. The provisions of the Declaration with respect to consents to amendments thereof (whether at a meeting or otherwise) shall apply to the giving of such approval.

SECTION 9.3 Notices.

All notices provided for in this Preferred Securities Guarantee shall be in writing, duly signed by the party giving such notice, and shall be delivered, telecopied or mailed by first class mail, as follows:

(a) If given to the Issuer, in care of the Administrative Trustee at the mailing address set forth below (or such other address as the Issuer may give notice of to the Holders and the Preferred Securities Guarantee Trustee):

Halliburton Capital Trust I  
c/o Halliburton Company  
3600 Lincoln Plaza  
500 North Akard Street  
Dallas, Texas 75201  
Attention: Chief Financial Officer  
Telecopy: (214) 978-2334

(b) If given to the Preferred Securities Guarantee Trustee, at the Preferred Securities Guarantee Trustee's mailing address set forth below (or such other address as the Preferred Securities Guarantee Trustee may give notice of to the Holders and the Issuer):

JPMorgan Chase Bank  
600 Travis Street  
11th Floor  
Houston, Texas 77002  
Attention: Institutional Trust Services  
Telecopy: (713) 577-5200

(c) If given to the Guarantor, at the Guarantor's mailing address set forth below (or such other address as the Guarantor may give notice of to the Holders and the Preferred Securities Guarantee Trustee):

Halliburton Company  
3600 Lincoln Plaza  
500 North Akard Street  
Dallas, Texas 75201  
Attention: Chief Financial Officer  
Telecopy: (214) 978-2783

(d) If given to any Holder, at the address set forth on the books and records of the Issuer.

All such notices shall be deemed to have been given when received in person, telecopied with receipt confirmed, or mailed by first class mail, postage prepaid except that if a notice or other document is refused delivery or cannot be delivered because of a changed address of which no notice was given, such notice or other document shall be deemed to have been delivered on the date of such refusal or inability to deliver.

#### SECTION 9.4 Benefit.

This Preferred Securities Guarantee is solely for the benefit of the Holders and, subject to Section 3.1(a), is not separately transferable from the Preferred Securities.

#### SECTION 9.5 GOVERNING LAW.

THIS PREFERRED SECURITIES GUARANTEE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

THIS PREFERRED SECURITIES GUARANTEE is executed as of the day and year first above written.

HALLIBURTON COMPANY,  
as Guarantor

By: -----  
Name: -----  
Title: -----

JPMorgan Chase Bank,  
as Preferred Securities Guarantee  
Trustee

By: -----  
Name: -----  
Title: -----

[FIRST][SECOND] SUPPLEMENTAL INDENTURE  
dated as of \_\_\_\_\_, 200\_

between

HALLIBURTON COMPANY,  
(as Issuer)

and

JPMORGAN CHASE BANK  
(as Trustee)

This [First] [Second] Supplemental Indenture dated as of \_\_\_\_\_, 200\_ (this "Supplemental Indenture") is between Halliburton Company, a corporation incorporated and existing under the laws of the State of Delaware (the "Issuer"), and JPMorgan Chase Bank [(formerly Texas Commerce Bank National Association)], a New York banking corporation, as trustee (the "Trustee").

RECITALS:

The Issuer and the Trustee have heretofore executed and delivered that certain [Subordinated Indenture dated as of January 2, 1991, as supplemented and amended by the First Supplemental Indenture dated as of December 12, 1996] [Junior Subordinated Indenture dated as of November 29, 2001] (the "Original Indenture").

As of the date hereof, the Issuer has issued no Securities pursuant to the Original Indenture.

The Issuer desires to designate a class of Securities under the Indenture as the [\_\_% \_\_\_\_\_ Debentures Due \_\_\_\_\_] (the "Debentures") and, pursuant to Section 2.3 of the Indenture, to provide the terms of the Debentures pursuant to this Supplemental Indenture and, with respect to the Debentures, to add certain provisions to the Original Indenture.

The Issuer has duly authorized the execution and delivery of this Supplemental Indenture.

The Issuer has provided to the Trustee an Officers' Certificate and an Opinion of Counsel, as such terms are defined in the Original Indenture, to the effect that this Supplemental Indenture complies with the provisions of Section 8.1 of the Original Indenture relating to amendments and supplements of the Original Indenture without a vote of Securityholders.

As of the date hereof, the Issuer and the Trustee have executed and delivered this Supplemental Indenture for the purposes specified above.

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

ARTICLE I

Section 1.01 Definition of Indenture. As used hereinafter, the term "Indenture" shall mean the Original Indenture as supplemented by this Supplemental Indenture.

Section 1.02 Definitions Specifically Applicable to Debentures. The following terms shall have the meanings set forth herein when used with respect to the Debentures and shall be deemed to form a part of Section 1.1 of the Indenture for purposes of the application of the terms and provisions of this Supplemental Indenture:

(a) "Additional Sums" shall have the meaning set forth in Section 2.03(c).

(b) "Certificated Debentures" shall mean those Debentures issued in fully registered certificated form not otherwise in global form.

(c) "Common Securities" shall mean the common securities of the Trust representing undivided beneficial interests in the assets of the Trust that, subject to the exceptions set forth in the Declaration, rank pari passu with Preferred Securities issued by the the Trust.

(d) "Common Securities Guarantee" shall mean any guarantee that the Issuer may enter into with any Person or Persons that operates directly or indirectly for the benefit of holders of Common Securities of the Trust.

(e) "Common Stock" shall mean the Common Stock, par value \$2.50, of the Issuer or any other class of stock resulting from changes or reclassifications of such Common Stock consisting solely of changes in par value, or from par value to no par value, or from no par value to par value.

(f) "Comparable Treasury Issue" means the United States Treasury security selected by the Reference Treasury Dealer as having a maturity comparable to the remaining term of the Debentures to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Securities.

(g) "Comparable Treasury Price" means, with respect to any redemption date, (i) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third Business Day preceding such redemption date, as set forth in the daily statistical release (or any successor release) published by the Federal Reserve Bank of New York and designated "Composite 3:30 p.m. Quotations for U.S. Government Securities" or (ii) if such release (or any successor release) is not published or does not contain such prices on such Business Day, the average of the Reference Treasury Dealer Quotations for such redemption date.

(h) "Compounded Interest" shall have the meaning set forth in Section 15.5 of the Indenture.

(i) "Coupon Rate" shall have the meaning set forth in Section 2.03(a).

(j) "Creditor" shall have the meaning set forth in Section 3.9 of the Indenture.

(k) ["Debenture Register" shall mean (i), prior to a Dissolution Event, the list of holders of the Debentures provided to the Trustee pursuant to Section 2.8 of the Indenture and (ii), following a Dissolution Event, any security register maintained by a security registrar for the Debentures appointed by the Issuer following the execution of a supplemental indenture providing for transfer procedures as provided for in Section 2.02(a).]

(l) "Declaration" means the Declaration of Trust of Halliburton Capital Trust I, dated as of November \_\_, 2001, as amended by the Amended and Restated Declaration of Trust dated \_\_\_\_\_, and as thereafter amended from time to time.

(m) "Defaulted Interest" shall have the meaning set forth in Section 2.04(a).

(n) "Deferred Interest" shall have the meaning set forth in Section 15.5 of the Indenture.

(o) "Direct Action" shall have the meaning set forth in Section 11.11 of the Indenture.

(p) "Dissolution Event" means the liquidation of the Trust pursuant to the Declaration, and the distribution of the Debentures held by the Property Trustee to the holders of the Trust Securities issued by the Trust pro rata in accordance with the Declaration.

(q) "Extended Interest Payment Period" shall have the meaning set forth in Section 15.5 of the Indenture.

(r) "Interest Payment Date" shall have the meaning set forth in Section 2.03(a).

(s) "Optional Redemption Price" means the greater of (i) 100% of the principal amount of the Debentures to be redeemed plus accrued and unpaid interest thereon (including Additional Sums, if any) to the date of redemption and (ii) the sum of the present values of the remaining scheduled payments of principal of the Debentures to be redeemed and interest thereon (including Additional Sums if any) discounted to the date of redemption, on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months), at the Treasury Rate plus \_\_ basis points plus accrued and unpaid interest thereon to the date of redemption.

(t) "Investment Company Event" means the receipt by the Trust and the Issuer of an opinion of counsel experienced in such matters to the effect that, as a result of the occurrence of a change in law or regulation or a written change (including any announced prospective change) in interpretation or application of law or regulation by any legislative body, court, governmental agency or regulatory authority, there is more than an insubstantial risk that the Trust is or will be considered an "investment company" that is required to be registered under the Investment Company Act of 1940, as amended (the "Investment Company Act"), which change or prospective change becomes effective or would become effective, as the case may be, on or after the date of the original issuance of the Preferred Securities.

(u) "Other Debentures" means all [junior subordinated] debentures issued by the Issuer from time to time and sold to trusts to be established by the Issuer (if any), in each case similar to the Trust.

(v) "Other Guarantees" means all guarantees to be issued by the Issuer with respect to preferred securities (if any) and issued to other trusts to be established by the Issuer (if any), in each case similar to the Trust.

(w) "Predecessor Debenture" of any particular Debenture means every previous Debenture evidencing all or a portion of the same debt as that evidenced by such particular Debenture; and, for the purposes of this definition, any Debenture authenticated and delivered under Section 2.9 of the Indenture in lieu of a lost, destroyed or stolen Debenture shall be deemed to evidence the same debt as the lost, destroyed or stolen Debenture.

(x) "Preferred Securities" shall mean the securities representing undivided beneficial interests in the assets of the Trust that, subject to the exceptions set forth in the Declaration, rank pari passu with the Common Securities issued by the Trust.

(y) "Preferred Securities Guarantee" shall mean any guarantee that the Issuer may enter into with JPMorgan Chase Bank, a New York banking corporation, or other Persons that operates directly or indirectly for the benefit of holders of Preferred Securities of the Trust.

(z) "Property Trustee" shall have the same meaning as set forth in the Declaration.

(aa) "Reference Treasury Dealer" means \_\_\_\_\_ and its successors; provided however, that if \_\_\_\_\_ shall cease to be a primary U.S. Government securities dealer in the City of New York (a "Primary Treasury Dealer"), the Issuer shall substitute therefor another Primary Treasury Dealer.

(bb) "Reference Treasury Dealer Quotations" means, with respect to the Reference Treasury Dealer and any redemption date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by the Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such redemption date.

(cc) "Special Event" means either an Investment Company Event or a Tax Event.

(dd) "Special Event Redemption Price" shall mean, with respect to any redemption of the Securities following a Special Event, an amount in cash equal to 100% of the principal amount of the Securities to be redeemed plus accrued and unpaid interest thereon (including Additional Sums, if any) to the date of redemption.

(ee) "Tax Event" shall mean the receipt by the Trust and the Issuer of an opinion of counsel experienced in such matters to the effect that, as a result of any amendment to, or change (including any announced prospective change) in, the laws or any regulations thereunder of the United States or any political subdivision or taxing authority thereof or therein or as a result of any official administrative pronouncement or judicial decision interpreting or applying such laws or regulations, which amendment or change is effective or which

pronouncement or decision is announced on or after \_\_\_\_\_, \_\_\_\_\_, there is more than an insubstantial risk that (i) the Trust is, or will be within 90 days of the date of such opinion, subject to United States Federal income tax with respect to income received or accrued on the Securities, (ii) interest payable by the Issuer on the Securities is not, or within 90 days of the date of such opinion, will not be, deductible by the Issuer, in whole or in part, for United States Federal income tax purposes, or (iii) the Trust is, or will be within 90 days of the date of such opinion, subject to more than a de minimis amount of other taxes, duties or other governmental charges.

(ff) "Treasury Rate" means, with respect to any redemption date, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

(gg) "Trust" shall mean the Halliburton Capital Trust I established pursuant to the Declaration.

(hh) "Trust Securities" shall mean the Preferred Securities and the Common Securities, collectively.

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

Section 1.03 Other Definitions. Other capitalized terms used but not defined herein are defined in the Original Indenture and are used herein with the meanings ascribed to them therein.

Section 1.04 Form of Documents Delivered to Trustee.

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

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

## ARTICLE II

Pursuant to Section 2.3 of the Original Indenture, the following provisions of this Article II shall apply, and shall only apply, to the series of Securities designated as provided below and referred to herein as the Debentures: .

### Section 2.01. Establishment of Series.

(a) the designation of the Securities of the series shall be [\_\_% \_\_\_\_\_ Debentures Due \_\_\_\_\_];

(b) [commencing \_\_\_\_\_, \_\_\_\_\_, the Debentures shall be convertible into Common Stock of the Issuer at the initial Conversion Price of one share of Common Stock for each \$\_\_\_\_\_ in principal amount of Debentures, all in accordance with Article Thirteen of the Indenture];

(c) the aggregate principal amount of the Debentures that may be authenticated and delivered under this Indenture shall be \$\_\_\_\_\_ (except for Debentures authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Debentures pursuant to Section 2.8, 2.9, 2.11. 8.5, 12.3 or 13.2 of the Indenture);

(d) the Stated Maturity of the Debentures shall be [\_\_\_\_\_, \_\_\_\_];

(e) the right, if any, of the Issuer to redeem, purchase or repay the Debentures, in whole or in part, at its option and the period or periods within which, the price or prices (or the method by which such price or prices shall be determined or both) at which and any terms and conditions upon which and the manner in which (to the extent different from the provisions of Article Twelve of the Original Indenture) Debentures may be so redeemed, purchased or repaid, in whole or in part, pursuant to any sinking fund or otherwise shall be as set forth in Article Fifteen of the Indenture;

(f) the obligation of the Issuer to redeem, purchase or repay Debentures, in whole or in part, pursuant to any mandatory redemption, sinking fund or analogous provisions or at the option of a Holder thereof and the period or periods within which, the price or prices (or the method by which such price or prices shall be determined or both) at which and any terms and conditions upon which and the manner in which (to the extent different from the provisions of Article Twelve of the Original Indenture) Debentures shall be redeemed, purchased or repaid, in whole or in part, pursuant to such obligation shall be as set forth in Article Fifteen of the Indenture;

(g) except as provided in Section 2.02, the Debentures shall be issued in fully registered certificated form without interest coupons. Principal of, premium, if any, and interest on the Debentures issued in certificated form will be payable, the transfer of such Debentures

will be registrable and such Debentures will be exchangeable for Debentures bearing identical terms and provisions at the office or agency of the Issuer maintained for such purpose under Section 4.1 of the Indenture; provided, however, that payment of interest with respect to Debentures (other than a Global Security) may be made at the option of the Issuer (i) by check mailed to the holder at such address as shall appear in the Debenture Register or (ii) by transfer to an account maintained by the Person entitled thereto; provided that proper transfer instructions have been received in writing by the relevant record date. Notwithstanding the foregoing, so long as the holder of any Debentures is the Property Trustee, the payment of the principal of, premium, if any, and interest (including Compounded Interest and Additional Sums, if any), on such Debentures held by the Property Trustee will be made at such place and to such account as may be designated by the Property Trustee.

(h) The Debentures will be issued and may be transferred only in blocks having an aggregate principal amount of not less than \$100,000. Any such transfer of the Debentures in a block having an aggregate principal amount of less than \$100,000 shall be deemed to be void and of no legal effect whatsoever. Any such transferee shall be deemed not to be a holder of such Debentures for any purpose, including without limitation the receipt of payments on such Debentures, and such transferee shall be deemed to have no interest whatsoever in such Debentures.

(i) the Trustee shall be the initial authenticating agent, paying agent, transfer agent and registrar with respect to the Debentures; and

(j) the provisions of Section 10.1(C) will not be applicable to the Debentures.

(k) the Issuer in issuing the Debentures may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Securityholders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Debentures or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Debentures, and any such redemption shall not be affected by any defect in or omission of such numbers. The Issuer will promptly notify the Trustee of any change in the CUSIP numbers.

#### Section 2.02 Global Security.

(a) In connection with a Dissolution Event,

(i) if any Preferred Securities are held in book-entry form, the related Certificated Debentures shall be presented to the Trustee (if an arrangement with the Depositary has been maintained) by the Property Trustee in exchange for one or more Global Securities (as may be required pursuant to Section 2.8 of the Indenture) in an aggregate principal amount equal to the aggregate principal amount of all outstanding Debentures, to be registered in the name of the Depositary, or its nominee, and delivered by the Trustee to the Depositary for crediting to the accounts of its participants pursuant to the instructions of the

Administrative Trustees; the Issuer upon any such presentation shall execute one or more Global Securities in such aggregate principal amount and deliver the same to the Trustee for authentication and delivery in accordance with this Indenture; and payments on the Debentures issued as a Global Security will be made to the Depository; and

(ii) if any Preferred Securities are held in certificated form, the related Certificated Debentures may be presented to the Trustee by the Property Trustee and any Preferred Security certificate which represents Preferred Securities other than Preferred Securities in book-entry form ("Non Book-Entry Preferred Securities") will be deemed to represent beneficial interests in Debentures presented to the Trustee by the Property Trustee having an aggregate principal amount equal to the aggregate liquidation amount of the Non Book-Entry Preferred Securities until such Preferred Security certificates are presented to the Debenture Registrar for transfer or reissuance, at which time such Preferred Security certificates will be canceled and a Debenture, registered in the name of the holder of the Preferred Security certificate or the transferee of the holder of such Preferred Security certificate, as the case may be, with an aggregate principal amount equal to the aggregate liquidation amount of the Preferred Security certificate canceled, will be executed by the Issuer and delivered to the Trustee for authentication and delivery in accordance with this Indenture. Upon the issuance of such Debentures, Debentures with an equivalent aggregate principal amount that were presented by the Property Trustee to the Trustee will be canceled.

(b) The Global Securities shall represent the aggregate amount of outstanding Debentures from time to time endorsed thereon; provided, that the aggregate amount of outstanding Debentures represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges and redemptions. Any endorsement of a Global Security to reflect the amount of any increase or decrease in the amount of outstanding Debentures represented thereby shall be made by the Trustee, in accordance with instructions given by the Issuer as required by this Section 2.02.

(c) The Global Securities may be transferred, in whole but not in part, only to the Depository, another nominee of the Depository, or to a successor Depository selected or approved by the Issuer or to a nominee of such successor Depository.

(d) If at any time the Depository notifies the Issuer that it is unwilling or unable to continue as Depository or the Depository has ceased to be a clearing agency registered under the Exchange Act or any applicable statute or regulation, and a successor Depository is not appointed by the Issuer within 90 days after the Issuer receives such notice or becomes aware of such condition, as the case may be, the Issuer will execute, and the Trustee, upon receipt of an Issuer Order, will authenticate and make available for delivery the Certificated Debentures, in authorized denominations, and in an aggregate principal amount equal to the principal amount of the Global Security in exchange for such Global Security. If there is an Event of Default, the Depository shall have the right to exchange the Global Securities for Certificated Debentures. In addition, the Issuer may at any time determine that the Debentures shall no longer be represented

by a Global Security. In the event of such an Event of Default or such a determination, the Issuer shall execute, and subject to Section 2.8 of the Indenture, the Trustee, upon receipt of an Officers' Certificate evidencing such determination by the Issuer and a Issuer Order, shall authenticate and make available for delivery the Certificated Debentures, in authorized denominations, and in an aggregate principal amount equal to the principal amount of the Global Security in exchange for such Global Security. Upon the exchange of the Global Security for such Certificated Debentures, in authorized denominations, the Global Security shall be canceled by the Trustee. Such Certificated Debentures issued in exchange for the Global Security shall be registered in such names and in such authorized denominations as the Depositary, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee. The Trustee shall deliver such Certificated Debentures to the Depositary for delivery to the Persons in whose names such Certificated Debentures are so registered.

#### Section 2.03 Interest

(a) Each Debenture shall bear interest at the rate of \_\_\_\_% per annum (the "Coupon Rate") from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from \_\_\_\_\_, \_\_\_\_\_, until the principal thereof becomes due and payable, and at the Coupon Rate on any overdue principal (and premium, if any) and (to the extent that payment of such interest is enforceable under applicable law) on any overdue installment of interest, compounded semi-annually, payable (subject to the provisions of Article Fifteen of the Indenture) semi-annually in arrears on \_\_\_\_\_ and \_\_\_\_\_ of each year (each, an "Interest Payment Date") commencing on \_\_\_\_\_, \_\_\_\_\_, to the Person in whose name such Debenture or any Predecessor Debenture is registered, at the close of business on the regular record date for such interest installment, which shall be the fifteenth day of the month immediately preceding the month in which the relevant Interest Payment Date falls.

(b) Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months and, for any period of less than a full calendar month, the number of days lapsed in such month. If any Interest Payment Date falls on a day that is not a Business Day, then payment of interest payable on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay), except that if such next succeeding Business Day falls in the next succeeding calendar year, then such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on the date such payment is otherwise required.

(c) During such time as the Property Trustee is the holder of any Debentures, the Issuer shall pay any additional amounts on the Debentures as may be necessary in order that the amount of Distributions then due and payable by Trust on the outstanding Trust Securities shall not be reduced as a result of any additional taxes, duties and other governmental charges to which Trust has become subject as a result of a Tax Event ("Additional Sums").

(d) Interest on any Debenture that is payable, and that is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that

Debenture (or one or more Predecessor Debentures) is registered at the close of business on the record date for such interest installment.

Section 2.04 Defaulted Interest.

(a) Any interest on any Debenture that is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the holder on the relevant regular record date by virtue of having been such holder; and such Defaulted Interest shall be paid by the Issuer, at its election, as provided in subsection (b) or (c) below:

(b) The Issuer may make payment of any Defaulted Interest on Debentures to the Persons in whose names such Debentures (or their respective Predecessor Debentures) are registered at the close of business on a special record date for the payment of such Defaulted Interest, which shall be fixed in the following manner: the Issuer shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each such Debenture and the date of the proposed payment, and at the same time the Issuer shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this clause provided. Thereupon the Trustee shall fix a special record date for the payment of such Defaulted Interest which shall not be more than 15 nor less than ten days prior to the date of the proposed payment and not less than ten days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Issuer of such special record date and, in the name and at the expense of the Issuer, shall cause notice of the proposed payment of such Defaulted Interest and the special record date therefor to be mailed, first class postage prepaid, to each Securityholder at his or her address as it appears in the Debenture Register, not less than 10 days prior to such special record date. Notice of the proposed payment of such Defaulted Interest and the special record date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Persons in whose names such Debentures (or their respective Predecessor Debentures) are registered on such special record date and shall be no longer payable pursuant to the following clause (c).

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

Section 2.05 CUSIP Numbers.

The Issuer in issuing the Debentures may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Securityholders; provided, however, that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Debentures or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Debentures, and any such redemption shall not be affected by any defect in or omission of such numbers. The Issuer shall promptly notify the Trustee of any change in the CUSIP numbers.

ARTICLE III

The following provisions constitute additions to the covenants of the Issuer contained in Article Three of the Original Indenture that shall apply, and shall only apply, to the series of Securities designated pursuant to this Supplemental Indenture and referred to herein as Debentures.

Section 3.01 Amendment of Section 3.1. Section 3.1 of the Original Indenture is hereby amended by adding thereto the following sentence: The Issuer further covenants to pay any and all amounts, including, without limitation, Additional Sums, as may be required pursuant to Section 2.03(c) of the [First][Second] Supplemental Indenture dated as of , 200 , and Compounded Interest, as may be required pursuant to Section 15.5 of the Indenture.

Section 3.02 Amendment of Section 3.2.

(a) Section 3.2 of the Original Indenture is hereby amended by renumbering the existing provisions of that Section as subsection (a) of Section 3.2 and by adding thereto as a new subsection (b) of Section 3.2 the following subsection:

(b) In addition to any such office or agency, the Issuer may from time to time designate one or more offices or agencies outside the Borough of Manhattan, The City of New York, where the Debentures may be presented for payment, registration of transfer and for exchange in the manner provided in this Indenture, and the Issuer may from time to time rescind such designation, as the Issuer may deem desirable or expedient; provided, however, that no such designation or rescission shall in any manner relieve the Issuer of its obligation to maintain any such office or agency in the Borough of Manhattan, The City of New York, for the purposes above mentioned. The Issuer shall give to the Trustee prompt written notice of any such designation or rescission thereof.

Section 3.03 Amendment of Article Three. Article Three of the Indenture is hereby amended by adding thereto the following Sections 3.6 to 3.10, inclusive:

Section 3.6. Certificate to Trustee. The Issuer will deliver to the Trustee on or before 120 days after the end of each fiscal year in each year, commencing with the first fiscal year ending after the date hereof, so long as Debentures are outstanding hereunder, an Officers' Certificate, one of the signers of which shall be the principal executive, principal financial or principal accounting officer of the Issuer, stating that in the course of the performance by the signers of their duties as officers of the Issuer they would normally have knowledge of any default by the Issuer in the performance of any covenants contained herein, stating whether or not they have knowledge of any such default and, if so, specifying each such default of which the signers have knowledge and the nature thereof.

Section 3.7. Limitation on Dividends.

The Issuer will not, and will not permit any subsidiary of the Issuer to, (i) declare or pay any dividends or distributions on, or redeem, purchase, acquire or make a liquidation payment with respect to, any of the Issuer's capital stock (which includes common and preferred stock) (other than (a) dividends or distributions in shares of, or options, warrants or rights to subscribe for or purchase shares of, Common Stock of the Issuer, (b) any declaration of a dividend in connection with the implementation of a shareholder's rights plan, any issuance of stock under any such plan and any redemption or repurchase of any such rights pursuant thereto, (c) as a result of a reclassification of the Issuer's capital stock or the conversion or exchange of one class or series of the Issuer's capital stock for another class or series of the Issuer's capital stock, (d) the purchase of fractional interests in shares of the Issuer's capital stock pursuant to the conversion or exchange provisions of such capital stock or the security being converted or exchanged and (e) purchases of Common Stock related to the issuance of Common Stock or rights under any of the Issuer's benefit plans for its directors, officers, employees or consultants or any of the Issuer's dividend reinvestment plans), (ii) make any payment of principal, premium, if any, or interest on or repay or repurchase or redeem any debt securities of the Issuer (including Other Debentures) that rank pari passu with or junior in right of payment to the Debentures or (iii) make any guarantee payments with respect to any guarantee by the Issuer (other than payments under the Preferred Securities Guarantee) of the debt securities of any Subsidiary of the Issuer (including Other Guarantees) if such guarantee ranks pari passu or junior in right of payment to the Debentures if, in any such case at such time (1) there shall have occurred any event of which the Issuer has actual knowledge that (a), with the giving of notice or the lapse of time, or both, would constitute an Event of Default and (b) in respect of which the Issuer shall not have taken reasonable steps to cure, (2) an Event of Default hereunder shall have occurred and be continuing, (3) if such Debentures are held by the Property Trustee, the Issuer shall be in default with respect to its payment obligations under the Preferred Securities Guarantee or [(4) the Issuer shall have given notice of its election of the exercise of its right to extend the interest payment period pursuant to Section 15.6 of the Indenture and any such extension shall be continuing].

Section 3.8. Covenants as to Trust.

If Debentures are issued to the Trust or a trustee of such trust in connection with the issuance of Trust Securities by the Trust, for so long as such Trust Securities remain outstanding, the Issuer (i) will maintain 100% direct or indirect ownership of the Common Securities of the Trust; provided, however, that any successor of the Issuer, permitted pursuant to Article Nine of the Indenture, may succeed to the Issuer's ownership of such Common Securities, (ii) will use its reasonable efforts to cause the Trust (a) to remain a business trust, except in connection with a distribution of Debentures to the holders of Trust Securities in liquidation of the Trust, the redemption of all of the Trust Securities of the Trust or certain mergers, consolidations or amalgamations, each as permitted by the Declaration, and (b) otherwise to continue to be treated as a grantor trust and not an association taxable as a corporation for United States federal income tax purposes and (iii) will use its reasonable efforts to cause each holder of Trust Securities to be treated as owning an undivided beneficial interest in the Debentures.

Section 3.9. Payment of Trust's Costs and Expenses.

In connection with the offering, sale and issuance of the Debentures to the Trust and in connection with the sale of the Trust Securities by the Trust, the Issuer, in its capacity as borrower with respect to the Trust Securities, shall:

(a) pay all costs and expenses relating to the offering, sale and issuance of the Trust Securities and compensation of the Trustees in accordance with the provisions of Section 10.6 of the Declaration;

(b) pay all costs and expenses of the Trust, including without limitation costs and expenses relating to the organization of the Trust, the offering, sale and issuance of the Trust Securities (including commissions to the initial purchaser or purchasers in connection therewith), the fees and expenses of the Property Trustee and the Delaware Trustee, the costs and expenses relating to the operation of the Trust, including without limitation costs and expenses of accountants, attorneys, statistical or bookkeeping services, expenses for printing and engraving and computing or accounting equipment, paying agent(s), registrar(s), transfer agent(s), duplicating, travel and telephone and other telecommunications expenses and costs and expenses incurred in connection with the acquisition, financing, and disposition of assets of the Trust;

(c) be primarily and fully liable for any indemnification obligations arising with respect to the Declaration;

(d) pay any and all taxes, duties, assessments or governmental charges of whatever nature (other than United States withholding taxes attributable to the Trust or its assets) imposed on the Trust by the United States or any other taxing

authority and all liabilities, costs and expenses with respect to such taxes of the Trust ; and

(e) pay all other fees, expenses, debts and obligations (other than in respect of principal, interest and premium, if any, on the Trust Securities) related to the Trust.

The foregoing obligations of the Issuer are for the benefit of, and shall be enforceable by, any person to whom any such debt, obligations, costs, expenses and taxes are owed (each, a "Creditor") whether or not such Creditor has received notice thereof. Any such Creditor may enforce such obligations of the Issuer directly against the Issuer, and the Issuer irrevocably waives any right or remedy to require that any such Creditor take any action against the Trust or any person before proceeding against the Issuer. The Issuer shall execute such additional agreements as may be necessary or desirable to give full effect to the foregoing.

#### Section 3.10. Payment Upon Resignation or Removal.

Upon termination of this Indenture or the removal or resignation of the Trustee, unless otherwise stated, the Issuer shall pay to the Trustee all amounts accrued and owing to the date of such termination, removal or resignation. Upon termination of the Declaration or the removal or resignation of the Delaware Trustee or the Property Trustee, as the case may be, pursuant to Section 5.7 of the Declaration, the Issuer shall pay to the Delaware Trustee or the Property Trustee, as the case may be, all amounts accrued and owing to the date of such termination, removal or resignation.

### ARTICLE IV

The following provisions of this Article IV constitute amendments to the provisions of Article Five of the Original Indenture that shall apply, and shall only apply, to the series of Securities designated pursuant to this Supplemental Indenture and referred to herein as Debentures.

Section 4.01 Amendment of Section 5.1. Subsections (a) and (b) of Section 5.1 of the Original Indenture are hereby amended so as to be and read, in their entirety, as follows:

(a) default in the payment of any interest (including Compounded Interest or Additional Sums, if any), upon any Debenture or any Other Debentures when it becomes due and payable, and continuance of such default for a period of 30 days; provided, however, that a valid extension of an interest payment period by the Issuer in accordance with the terms hereof shall not constitute a default in the payment of interest for this purpose; or

(b) default in the payment of all or any part of the principal of (or premium, if any, on) any Debenture or any Other Debentures as and when the same shall become due and payable either at maturity, upon redemption, by declaration of acceleration of maturity or otherwise.

Section 4.02 Further Amendment of Section 5.1. The second sentence of the second paragraph of Section 5.1 of the Original Indenture is hereby amended to add the phrase "(including Compounded Interest and Additional Sums, if any)" after the phrase "all matured installments of interest, if any."

Section 4.03 Amendment of Section 5.2. The first paragraph of Section 5.2 of the Original Indenture is hereby amended so as to be and read, in its entirety, as follows:

The Issuer covenants that:

(a) in case default shall be made in the payment of any installment of interest (including Compounded Interest and Additional Sums, if any) upon any of the Debentures as and when the same shall become due and payable, and such default shall have continued for a period of 30 days, or

(b) in case default shall be made in the payment of the principal of or premium, if any, on any of the Debentures as and when the same shall have become due and payable, whether at maturity of the Debentures or upon redemption or by declaration or otherwise,

then, upon demand of the Trustee, the Issuer will pay to the Trustee, for the benefit of the holders of the Debentures, the whole amount that then shall have become due and payable on all such Debentures for principal and premium, if any, or interest (including Compounded Interest and Additional Sums, if any) or both, as the case may be, with interest upon the overdue principal and premium, if any, and (to the extent that payment of such interest is enforceable under applicable law and, if the Debentures are held by Trust or a trustee of such trust, without duplication of any other amounts paid by the Trust or a trustee in respect thereof) upon the overdue installments of interest (including Compounded Interest and Additional Sums, if any) at the rate borne by the Debentures; and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including a reasonable compensation to the Trustee, its agents, attorneys and counsel, and any expenses or liabilities incurred by the Trustee hereunder other than through its negligence or bad faith.

Section 4.04 Further Amendment of Section 5.2. The sentence comprising the third paragraph of Section 5.2 of the Original Indenture is hereby amended to add the phrase "(including Compounded Interest and Additional Sums, if any)" after the phrase "the whole amount of principal and interest, if any."

Section 4.05 Amendment of Section 5.3. The first paragraph of Section 5.3 of the Original Indenture is hereby amended by adding thereto a new SECOND subparagraph so as to be and read, in its entirety, as follows and renumbering the remaining subparagraphs thereof:

SECOND: To the payment of all [Senior] [Superior] Indebtedness of the Issuer if and to the extent required by Article XIV;

Section 4.06 Further Amendment of Section 5.3. The newly renumbered THIRD paragraph of Section 5.3 of the Original Indenture is hereby amended by adding thereto the

phrase "(including Compounded Interest and Additional Sums, if any)" after the phrase "to the payment of interest, if any, on the Securities."

Section 4.07 Final Amendment of Section 5.3. The newly renumbered FOURTH paragraph of Section 5.3 of the Original Indenture is hereby amended by adding thereto the phrase "(including Compounded Interest and Additional Sums, if any)" after the phrase "then owing and unpaid upon the Securities of such series for principal and interest, if any."

Section 4.08 Amendment of Section 5.4. Section 5.4 of the Original Indenture is hereby amended by adding a new third paragraph which shall be and read, in its entirety, as follows:

The Issuer and the Trustee acknowledge that pursuant to the Declaration, the holders of Preferred Securities are entitled, in the circumstances and subject to the limitations set forth therein, to commence a Direct Action with respect to any Event of Default under this Indenture and the Debentures.

Section 4.09 Amendment of Section 5.7. The second sentence of Section 5.7 of the Original Indenture is hereby amended so as to be and read as follows:

Prior to any declaration accelerating the maturity of the Debentures, the holders of a majority in aggregate principal amount of the Debentures at the time outstanding may on behalf of the holders of all of the Debentures waive any past default or Event of Default and its consequences except a default (a) in the payment of principal of or premium, if any, or interest (including Compounded Interest and Additional Sums, if any) on any of the Debentures or (b) in respect of covenants or provisions hereof which cannot be modified or amended without the consent of the holder of each Debenture affected; provided, however, that if the Debentures are held by the Property Trustee, such waiver or modification to such waiver shall not be effective until the holders of a majority in aggregate liquidation amount of Trust Securities shall have consented to such waiver or modification to such waiver; and provided further, that, if the consent of the holder of each outstanding Debenture is required, such waiver shall not be effective until each holder of the Trust Securities shall have consented to such waiver.

Section 4.10 Amendment of Section 5.8. The proviso to Section 5.8 of the Original Indenture is hereby amended to add the phrase "(including Compounded Interest and Additional Sums, if any)" after the phrase "except in the case of default in the payment of the principal of or interest, if any."

Section 4.11 Further Amendment of Section 5.8. The provisions of Section 5.8 of the Original Indenture, as amended by Section 4.10, are hereby amended by recasting such provisions as subsection (a) of Section 5.8 and adding to Section 5.8 of the Original Indenture the following subsection (b) which shall be and read, in its entirety, as follows:

(b) Within five Business Days after the occurrence of any Event of Default actually known to the Trustee, the Trustee shall transmit notice of such Event of Default to all Securityholders, unless such Event of Default shall have been cured or waived.

Section 4.12 Amendment of Section 5.9. The second sentence of Section 5.9 of the Original Indenture is hereby amended to add the phrase "(including Compounded Interest and Additional Sums, if any)" after the phrase "for the enforcement of the payment of the principal of or interest, if any."

#### ARTICLE V

The following provisions of this Article V constitute amendments to the provisions of Article Eight of the Original Indenture that shall apply, and shall only apply, to the series of Securities designated pursuant to this Supplemental Indenture and referred to herein as Debentures.

Section 5.01 Amendment of Section 8.2. Clause (i)(3) of subsection (a) of Section 8.2 of the Original Indenture is hereby amended to add the phrase "(including Compounded Interest)" after the phrase "reduce the rate or extend the time of payment of interest, if any."

Section 5.02 Further Amendment of Section 8.2. Subsection (a) of Section 8.2 of the Original Indenture is hereby amended by deleting the period at the end thereof and substituting a semicolon therefor and by adding the following proviso to the end thereof which shall be and read, in its entirety, as follows:

provided, however, that if the Debentures are held by the Trust, such amendment shall not be effective until the holders of a majority in liquidation amount of Trust Securities shall have consented to such amendment; and provided, further, that, if the consent of the holder of each outstanding Debenture is required, such amendment shall not be effective until each holder of the Trust Securities shall have consented to such amendment.

#### ARTICLE VI

The following provisions of this Article VI constitute amendments to the provisions of Article Nine of the Original Indenture that shall apply, and shall only apply, to the series of Securities designated pursuant to this Supplemental Indenture and referred to herein as Debentures.

Section 6.01 Amendment of Section 9.1. Subsection (c) of Section 9.1 of the Original Indenture is hereby amended to add the phrase "(including Compounded Interest and Additional Sums, if any)" after the phrase "the due and punctual payment of the principal of and interest, if any."

Section 6.02 Amendment of Section 9.2. Subsection (a) of Section 9.2 of the Original Indenture is hereby amended to add the phrase "(including Compounded Interest and Additional Sums, if any)" after the phrase "of the due and punctual payment of the principal of and interest, if any."

Section 6.03 Further Amendment of Section 9.2. The proviso to subsection (a) of Section 9.2 of the Original Indenture is hereby amended to add the phrase "(including

Compounded Interest and Additional Sums, if any)" after the phrase "to the extent, but only to the extent, of liability to pay the principal of and interest, if any."

#### ARTICLE VII

The following provisions of this Article VII constitute amendments to the provisions of Article Ten of the Original Indenture that shall apply, and shall only apply, to the series of Securities designated pursuant to this Supplemental Indenture and referred to herein as Debentures.

Section 7.01 Amendment of Subsection (a) of Section 10.1. Clause (i)(1) of subsection (a) of Section 10.1 of the Original Indenture is hereby amended to add the phrase "(including Compounded Interest and Additional Sums, if any)" after the phrase "the Issuer shall have paid or caused to be paid the principal of and interest, if any."

Section 7.02 Amendment of Subsection (b) of Section 10.1. Clause (i) of subsection (b) of Section 10.1 of the Original Indenture is hereby amended to add the phrase "(including Compounded Interest and Additional Sums, if any)" after the phrase "the Issuer shall have paid or caused to be paid the principal of and interest, if any."

Section 7.03 Further Amendment of Subsection (b) of Section 10.1. Clause (iii)(2)(A) of subsection (b) of Section 10.1 of the Original Indenture is hereby amended to add the phrase "(including Compounded Interest and Additional Sums, if any)" after the phrase "the principal of and interest, if any."

Section 7.04 Final Amendment of Subsection (b) of Section 10.1. Parenthetical clause (3) of subsection (b) of Section 10.1 of the Original Indenture is hereby amended to add the phrase "(including Compounded Interest and Additional Sums, if any)" after the phrase "rights of Holders of Securities of such series to receive payments of principal thereof and interest, if any."

Section 7.05 Amendment of Subsection (c) of Section 10.1. Parenthetical clause (3) of subsection (c) of Section 10.1 of the Original Indenture is hereby amended to add the phrase "(including Compounded Interest and Additional Sums, if any)" after the phrase "rights of Holders of Securities of such series to receive payments of principal thereof and interest, if any."

Section 7.06 Further Amendment of Subsection (c) of Section 10.1. Clause (i)(1) of subsection (c) of Section 10.1 of the Original Indenture is hereby amended to add the phrase "(including Compounded Interest and Additional Sums, if any)" after the phrase "the principal of and interest, if any."

Section 7.07 Amendment of Section 10.4. Section 10.4 of the Original Indenture is hereby amended to add the phrase "(including Compounded Interest and Additional Sums, if any)" after the phrase "Any moneys deposited with or paid to the Trustee or any Paying Agent for the payment of the principal of or interest, if any."

#### ARTICLE VIII

The following provisions of this Article VIII constitute amendments to the provisions of Article Eleven of the Original Indenture that shall apply, and shall only apply, to the series of Securities designated pursuant to this Supplemental Indenture and referred to herein as Debentures.

Section 8.01 Amendment of Article Eleven. Article Eleven of the Original Indenture is hereby amended to add thereto a new Section 11.11 which shall be and read, in its entirety, as follows:

Section 11.11. Acknowledgment of Rights. The Issuer acknowledges that, with respect to any Debentures held by the Trust or a trustee of such trust, if the Property Trustee of such the Trust fails to enforce its rights under this Indenture as the holder of the Debentures held as the assets of the Trust any holder of Preferred Securities may, to the full extent permitted by law, institute legal proceedings directly against the Issuer to enforce such Property Trustee's rights under this Indenture without first instituting any legal proceedings against such Property Trustee or any other person or entity (a "Direct Action"). Notwithstanding the foregoing, if an Event of Default has occurred and is continuing and such event is attributable to the failure of the Issuer to pay principal of or premium, if any, or interest (including Compounded Interest and Additional Sums, if any) on the Debentures when due, the Issuer acknowledges that a holder of Preferred Securities may directly institute a proceeding for enforcement of payment to such holder of the principal of or premium, if any, or interest (including Compounded Interest and Additional Sums, if any) on the Debentures having a principal amount equal to the aggregate liquidation amount of the Preferred Securities of such holder on or after the respective due date specified in the Debentures.

#### ARTICLE IX

The following provisions of this Article IX constitute provisions of a new Article Fifteen of the Original Indenture that shall apply, and shall only apply, to the series of Securities designated pursuant to this Supplemental Indenture and referred to herein as Debentures.

#### ARTICLE FIFTEEN

Section 15.1 Special Event Redemption.

If, at any time, a Special Event has occurred and is continuing then, notwithstanding Section 15.2(a) of the Indenture, the Issuer shall have the right but not the obligation, at any time within 90 days following the occurrence of such Special Event, upon (i) not less than 45 days' written notice to the Trustee and (ii) not less than 30 days' nor more than 60 days' written notice to the Securityholders, to redeem the Debentures, in whole (but not in part), at the Special Event Redemption Price. Following a Special Event, if the Issuer wishes to exercise its right of redemption pursuant to this Section 15.1 of the Indenture, the Issuer shall take such action as is necessary to promptly determine the Special Event Redemption Price, including without limitation the

appointment by the Issuer of a Reference Treasury Dealer. The Issuer shall provide the Trustee with written notice of the Special Event Redemption Price promptly after the calculation thereof, which notice shall include any calculation made by the Reference Treasury Dealer in connection with the determination of the Special Event Redemption Price. The Special Event Redemption Price shall be paid prior to 12:00 noon, New York City time, on the date of such redemption or such earlier time as the Issuer determines, provided that the Issuer shall deposit with the Trustee an amount sufficient to pay the Special Event Redemption Price by 10:00 a.m., New York City time, on the date such Special Event Redemption Price is to be paid.

Section 15.2 Optional Redemption by Issuer.

(a) Subject to the provisions of Article Twelve of the Original Indenture, the Issuer shall have the right to redeem the Debentures, in whole or in part, from time to time, at a redemption price equal to the Optional Redemption Price.

(b) If the Debentures are only partially redeemed pursuant to this Section 15.2 of the Indenture, the Debentures to be redeemed shall be selected on a pro rata basis not more than 60 days prior to the date fixed for redemption from the outstanding Debentures not previously called for redemption; provided, however, that with respect to Securityholders that would be required to hold Debentures with an aggregate principal amount of less than \$100,000 but more than an aggregate principal amount of zero as a result of such pro rata redemption, the Issuer shall redeem Debentures of each such Securityholder so that after such redemption such Securityholder shall hold Debentures either with an aggregate principal amount of at least \$100,000 or such Securityholder no longer holds any Debentures and shall use such method (including, without limitation, by lot) as the Issuer shall deem fair and appropriate; and provided, further, that any such proration may be made on the basis of the aggregate principal amount of Debentures held by each Securityholder and may be made by making such adjustments as the Issuer deems fair and appropriate in order that only Debentures in denominations of \$1,000 or integral multiples thereof shall be redeemed. The Optional Redemption Price shall be paid prior to 12:00 noon, New York City time, on the date of such redemption or at such earlier time as the Issuer determines; provided that the Issuer shall deposit with the Trustee an amount sufficient to pay the Optional Redemption Price by 10:00 a.m., New York City time, on the date such Optional Redemption Price is to be paid.

Section 15.3 No Sinking Fund.

The Debentures are not entitled to the benefit of any sinking

fund.

Section 15.4 Application of Article 12. Any redemption effected pursuant to Section 15.1 or 15.2 of the Indenture shall be effected in accordance with the provisions of Article Twelve of the Original Indenture to the extent that those provisions are not in conflict with the provisions of Section 15.1 or 15.2 of the Indenture, as the case may be.

Section 15.5 Extension of Interest Payment Period.

So long as no Event of Default has occurred and is continuing, the Issuer shall have the right, at any time and from time to time during the term of the Debentures, to defer payments of interest by extending the interest payment period of such Debentures for a period not exceeding ten consecutive semi-annual periods, including the first such semi-annual period during such extension period (the "Extended Interest Payment Period"), during which Extended Interest Payment Period no interest shall be due and payable; provided that no Extended Interest Payment Period shall end on a date other than an Interest Payment Date or extend beyond the Maturity Date. To the extent permitted by applicable law, interest, the payment of which has been deferred because of the extension of the interest payment period pursuant to this Section 15.5, will bear interest thereon at the Coupon Rate compounded semi-annually for each semi-annual period of the Extended Interest Payment Period ("Compounded Interest"). At the end of the Extended Interest Payment Period, the Issuer shall pay all interest accrued and unpaid on the Debentures, including any Additional Sums and Compounded Interest (together, "Deferred Interest") that shall be payable to the holders of the Debentures in whose names the Debentures are registered in the Debenture Register on the first record date preceding the end of the Extended Interest Payment Period. Before the termination of any Extended Interest Payment Period, the Issuer may further defer payments of interest by further extending such period; provided that such period, together with all such previous and further extensions within such Extended Interest Payment Period, shall not exceed ten consecutive semi-annual periods, including the first such semi-annual period during such Extended Interest Payment Period, and shall not end on a date other than an Interest Payment Date or extend beyond the Maturity Date of the Debentures. Upon the termination of any Extended Interest Payment Period and the payment of all Deferred Interest then due, the Issuer may commence a new Extended Interest Payment Period, subject to the foregoing requirements. No interest shall be due and payable during an Extended Interest Payment Period, except at the end thereof, but the Issuer may prepay at any time all or any portion of the interest accrued during an Extended Interest Payment Period.

Section 15.6 Notice of Extension.

(a) If the Property Trustee is the only registered holder of the Debentures at the time the Issuer selects an Extended Interest Payment Period, the Issuer shall give written notice to the Administrative Trustees, the Property Trustee and the Trustee of its selection of such Extended Interest Payment Period five Business Days before the earlier of (i) the next succeeding date on which Distributions on the Trust Securities issued by the Trust are payable or (ii) the date the Trust is required to give notice of the record date, or the date such Distributions are payable, to any national securities exchange or to holders of the Preferred Securities issued by the Trust, but in any event at least five Business Days before such record date.

(b) If the Property Trustee is not the only holder of the Debentures at the time the Issuer selects an Extended Interest Payment Period, the Issuer shall give the

holders of the Debentures and the Trustee written notice of its selection of such Extended Interest Payment Period at least ten Business Days before the earlier of (i) the next succeeding Interest Payment Date or (ii) the date the Issuer is required to give notice of the record or payment date of such interest payment to any national securities exchange.

(c) The semi-annual period in which any notice is given pursuant to paragraph (a) or (b) of this Section 15.6 of the Indenture shall be counted as one of the ten semi-annual periods permitted in the maximum Extended Interest Payment Period permitted under Section 15.5 of the Indenture.

#### ARTICLE X

Section 10.01 Effectiveness. This Supplemental Indenture shall, upon execution and delivery hereof by all the parties hereto, become effective as of the date hereof. From and after the effectiveness of this Supplemental Indenture, the Indenture, as hereby supplemented, amended and modified, shall remain in full force and effect.

Section 10.02 Conflicts. If any provision of this Supplemental Indenture shall conflict with any provision of the Original Indenture, the provision of this Supplemental Indenture shall be deemed to control.

Section 10.03 References. Each reference in this Supplemental Indenture to any Article or Section shall mean and be deemed to refer to such Article or Section of this Supplemental Indenture unless modified by reference to the Original Indenture, in which case the reference to such Article or Section shall be to the Original Indenture or unless modified by reference to the Indenture, in which case the reference to such Article or Section shall be to the Original Indenture, as modified by this Supplemental Indenture.

Section 10.04 Benefit. All the covenants, provisions, stipulations and agreements contained in this Supplemental Indenture are and shall be for the sole and exclusive benefit of the parties hereto, their successors and assigns, and of the holders and registered owners from time to time of the Debentures issued and outstanding from time to time under the Indenture.

Section 10.05 Counterparts. This Supplemental Indenture may be executed in any number of counterparts, each of which shall be deemed an original and all of which taken together shall be deemed to be a single instrument.

Section 10.06 Governing Law. This Supplemental Indenture shall be deemed to be a contract under the laws of the State of New York, and for all purposes shall be construed in accordance with the laws of such state without regard to principles of conflicts of laws, except as may otherwise be required by mandatory provisions of law.

Section 10.07 Headings. The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

IN WITNESS WHEREOF, the said Halliburton Company and JPMorgan Chase Bank have each caused this Supplemental Indenture to be executed in its corporate name by the

officer whose name is subscribed below, thereunto duly authorized, and its corporate seal to be hereunto affixed and, in the case of Halliburton Company, attested by its Secretary or Assistant Secretary, all as of the day and year first above written.

HALLIBURTON COMPANY

Attest:

By \_\_\_\_\_  
Name: Lester L. Coleman  
Title: Executive Vice President  
and General Counsel

By \_\_\_\_\_  
Name: John M. Allen  
Title: Assistant Secretary

JPMORGAN CHASE BANK

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

VINSON & ELKINS  
ATTORNEYS AT LAW

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HOUSTON, TEXAS 77002-6760  
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FAX (713) 758-2346

November 30, 2001

Halliburton Company  
3600 Lincoln Plaza  
500 North Akard Street  
Dallas, Texas 75201

Ladies and Gentlemen:

We have acted as counsel for Halliburton Company, a Delaware corporation (the "Company"), with respect to certain legal matters in connection with the registration by the Company and Halliburton Capital Trust I, a Delaware statutory business trust (the "Trust"), under the Securities Act of 1933 (the "Securities Act"), of the offer and sale from time to time, pursuant to Rule 415 under the Securities Act, (a) by the Company of (i) unsecured debt securities, in one or more series, consisting of notes, debentures or other evidences of indebtedness (the "Debt Securities"), (ii) shares of common stock of the Company (the "Common Stock"), (iii) stock purchase contracts (the "Stock Purchase Contracts") to purchase shares of Common Stock or other securities of the Company at a future date, (iv) stock purchase units (the "Stock Purchase Units") consisting of a Stock Purchase Contract and debt securities, preferred securities, warrants or debt obligations of third parties securing the holders' obligations to purchase the securities under the Stock Purchase Contracts, (v) shares of preferred stock of the Company, in one or more series (the "Preferred Stock"), which may be issued in the form of depositary shares evidenced by depositary receipts (the "Depositary Shares"), (vi) securities warrants (the "Warrants") to purchase Debt Securities, Preferred Stock, Depositary Shares or Common Stock, (vii) a guarantee of the Trust's Preferred Securities (the "Preferred Securities Guarantee") and (viii) in addition to the Debt Securities, subordinated debentures or junior subordinated debentures (each, as applicable, the "Trust Debentures") to be purchased by the Trust with the proceeds from the sale of preferred securities (the "Preferred Securities"), and (b) by the Trust of the Trust's Preferred Securities. The Company has advised us that the aggregate initial offering prices of the Debt Securities, Preferred Stock, Depositary Shares, Common Stock, Warrants, Stock Purchase Contracts, Stock Purchase Units and Preferred

HOUSTON AUSTIN BEIJING DALLAS LONDON MOSCOW NEW YORK SINGAPORE WASHINGTON, D.C.

Securities (excluding the aggregate initial offering price of the Trust Debentures) offered by the Company and the Trust (collectively, including the Trust Debentures, the "Securities") will not exceed \$1,000,000,000 or, if applicable, the equivalent thereof in any other currency or currency unit. The Company has advised us that the Securities will be offered in amounts, at prices and on terms to be determined in light of market conditions at the time of sale and to be set forth in supplements to the Prospectus contained in the Registration Statement on Form S-3 of the Company and the Trust to which this opinion is an exhibit.

We have examined originals or copies, certified or otherwise identified to our satisfaction, of (i) the Restated Certificate of Incorporation and Bylaws of the Company, each as amended to the date hereof; (ii) the Second Senior Indenture dated as of December 1, 1996, between the predecessor to the Company and Texas Commerce Bank National Association (now JPMorgan Chase Bank, a New York banking corporation), as trustee (the "Trustee"), as supplemented and amended by the First Supplemental Indenture dated as of December 5, 1996, between the predecessor to the Company and the Trustee, the Second Supplemental Indenture dated as of December 12, 1996, between the predecessor to the Company and the Trustee, the Third Supplemental Indenture dated as of August 1, 1997, between the Company and the Trustee, and the Fourth Supplemental Indenture dated as of September 29, 1998, between the Company and the Trustee (the "Senior Indenture"); (iii) the Subordinated Indenture dated as of January 2, 1991, between the predecessor to the Company and the Trustee, as supplemented and amended by the First Supplemental Indenture dated as of December 12, 1996, between the Company and the Trustee (the "Subordinated Indenture"); (iv) the Junior Subordinated Indenture dated November 29, 2001 between the Company and the Trustee (the "Junior Subordinated Indenture," and together with the Senior Indenture and the Subordinated Indenture, the "Indentures," and each, an "Indenture"); (v) a form of the Preferred Securities Guarantee to be entered into by the Company, in the form included as an exhibit to the Registration Statement; (vi) the Certificate of Trust and Declaration of Trust of the Trust; and (vii) such other certificates, statutes and other instruments and documents as we considered appropriate for purposes of the opinions hereafter expressed. In addition, we reviewed such questions of law as we considered appropriate.

As to any facts material to our opinion, we have made no independent investigation of such facts and have relied, to the extent that we deem such reliance proper, upon certificates of public officials and officers or other representatives of the Company.

In rendering the opinions set forth below, we have assumed that (i) all information contained in all documents reviewed by us is true and correct; (ii) all signatures on all documents examined by us are genuine; (iii) all documents submitted to us as originals are authentic and all documents submitted to us as copies conform to the originals of those documents; (iv) each natural person signing any document reviewed by us had the legal capacity to do so; (v) each person signing in a representative capacity (other than on behalf of the Company) any document reviewed by us had authority to sign in such capacity; (vi) the Registration Statement, and any amendments thereto (including post-effective amendments) will have become effective and comply with all applicable laws; (vii) a prospectus supplement will have been prepared and filed

with the Securities and Exchange Commission describing the Securities offered thereby; (viii) all Securities will be issued and sold in compliance with applicable federal and state securities laws and in the manner stated in the Registration Statement and the applicable prospectus supplement; (ix) the Senior Indenture, the Subordinated Indenture and the Junior Subordinated Indenture, together with any supplemental indenture or other instruments establishing a series of Debt Securities or Trust Debentures, as the case may be, to be issued under any of the Indentures, will each be duly authorized, executed and delivered by the parties thereto in substantially the form reviewed by us or with changes that do not affect the opinions given hereunder; (x) a definitive purchase, underwriting or similar agreement with respect to any Securities offered will have been duly authorized and validly executed and delivered by the Company and the other parties thereto; and (xi) any Securities issuable upon conversion, exchange or exercise of any Security being offered will have been duly authorized, created and, if appropriate, reserved for issuance upon such conversion, exchange or exercise.

Based on the foregoing, and subject to the assumptions, qualifications, limitations and exceptions set forth herein, we are of the opinion that:

1. With respect to Debt Securities to be issued under the Senior Indenture, when (i) the Board of Directors of the Company (or a committee thereof) has taken all necessary corporate action to approve the issuance and terms of the Debt Securities, the terms of the offering thereof and related matters; (ii) the terms of the Debt Securities and of their issuance and sale have been established so as not to violate any applicable law or result in a default under or breach of any agreement or instrument binding upon the Company and so as to comply with any requirement or restriction imposed by any court or governmental body having jurisdiction over the Company; and (iii) the Debt Securities have been duly executed, authenticated, issued and delivered in accordance with the provisions of the Senior Indenture and in accordance with the applicable definitive purchase, underwriting or similar agreement approved by the Board of Directors of the Company (or a committee thereof), then upon payment of the consideration provided for therein, the Debt Securities will be legally issued and will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms and will be entitled to the benefits of the Senior Indenture.

2. With respect to Debt Securities to be issued under the Subordinated Indenture, when (i) the Board of Directors of the Company (or a committee thereof) has taken all necessary corporate action to approve the issuance and terms of the Debt Securities, the terms of the offering thereof and related matters; (ii) the terms of the Debt Securities and of their issuance and sale have been established so as not to violate any applicable law or result in a default under or breach of any agreement or instrument binding upon the Company and so as to comply with any requirement or restriction imposed by any court or governmental body having jurisdiction over the Company; and (iii) the Debt Securities have been duly executed, authenticated, issued and delivered in accordance with the provisions of the Subordinated Indenture and in accordance with the applicable definitive purchase, underwriting or similar agreement approved by the Board of Directors of the Company (or a committee thereof), then upon payment of the consideration provided for therein, the Debt Securities will be legally issued and will constitute

valid and binding obligations of the Company, enforceable against the Company in accordance with their terms and will be entitled to the benefits of the Subordinated Indenture.

3. With respect to Debt Securities to be issued under the Junior Subordinated Indenture, when (i) the Board of Directors of the Company (or a committee thereof) has taken all necessary corporate action to approve the issuance and terms of the Debt Securities, the terms of the offering thereof and related matters; (ii) the terms of the Debt Securities and their issuance and sale and the terms of the Junior Subordinated Indenture have been established so as not to violate any applicable law or result in a default under or breach of any agreement or instrument binding upon the Company and so as to comply with any requirement or restriction imposed by any court or governmental body having jurisdiction over the Company; and (iii) the Debt Securities have been duly executed, authenticated, issued and delivered in accordance with the provisions of the Junior Subordinated Indenture and in accordance with the applicable definitive purchase, underwriting or similar agreement approved by the Board of Directors of the Company (or a committee thereof), then upon payment of the consideration provided for therein, the Debt Securities will be legally issued and will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms and will be entitled to the benefits of the Junior Subordinated Indenture.

4. With respect to Common Stock, when (i) the Board of Directors of the Company (or a committee thereof) has taken all necessary corporate action to approve the creation of and the issuance and terms of the Common Stock, the terms of the offering thereof and related matters and (ii) the Common Stock or certificates representing the Common Stock have been duly executed, countersigned, registered and delivered in accordance with the applicable definitive purchase, subscription, underwriting or similar agreement approved by the Board of Directors of the Company (or a committee thereof), then upon payment of the consideration provided for therein, the Common Stock will be legally issued.

5. With respect to Stock Purchase Contracts, when (i) the purchase agreement for the Stock Purchase Contracts has been duly authorized and validly executed by the parties thereto; (ii) the Board of Directors of the Company (or a committee thereof) has taken all necessary corporate action to approve and establish the terms of the Stock Purchase Contracts and to authorize and approve the issuance thereof, the terms of the offering and related matters; and (iii) the Stock Purchase Contracts have been duly executed and delivered in accordance with the purchase agreement and the applicable definitive purchase, underwriting or similar agreement approved by or on behalf of the Board of Directors of the Company (or a committee thereof), then upon payment of the consideration therefore provided for therein, the Stock Purchase Contracts will be legally issued.

6. With respect to Stock Purchase Units, when (i) the purchase agreement for the Stock Purchase Units has been duly authorized and validly executed by the parties thereto, (ii) the Board of Directors of the Company (or a committee thereof) has taken all necessary corporate action to approve and establish the terms of the Stock Purchase Units and to authorize and approve the issuance thereof, the terms of the offering and related matters; and (iii) the Stock Purchase Units have been duly executed and delivered in accordance with the purchase

agreement and the applicable definitive purchase, underwriting or similar agreement approved by or on behalf of the Board of Directors of the Company (or a committee thereof), then upon payment of the consideration therefor provided therein, the Stock Purchase Units will be legally issued.

7. With respect to Preferred Stock, when (i) the Board of Directors of the Company (or a committee thereof) has taken all necessary corporate action to approve the creation of and the issuance and terms of the Preferred Stock, the terms of the offering thereof and related matters and (ii) the Preferred Stock or certificates representing the Preferred Stock have been duly executed, countersigned, registered and delivered in accordance with the applicable definitive purchase, subscription, underwriting or similar agreement approved by the Board of Directors of the Company (or a committee thereof), then upon payment of the consideration provided for therein, the Preferred Stock will be legally issued.

8. With respect to the Warrants, when (i) the Board of Directors of the Company (or a committee thereof) has taken all necessary corporate action to approve the creation of and the issuance and terms of the Warrants, the terms of the offering thereof and related matters; (ii) the warrant agreement or agreements relating to the Warrants have been duly authorized and validly executed and delivered by the Company and the warrant agent appointed by the Company; and (iii) the Warrants or certificates representing the Warrants have been duly executed, countersigned, registered and delivered in accordance with the appropriate warrant agreement or agreements and the applicable definitive purchase, underwriting or similar agreement approved by the Board of Directors of the Company (or a committee thereof), then upon payment of the consideration provided for therein, the Warrants will be legally issued.

9. With respect to the Preferred Securities Guarantee, when (i) the Preferred Securities Guarantee has been duly authorized, executed and delivered by the Company to the guarantee trustee; (ii) the Board of Directors of the Company (or a committee thereof) has taken all necessary corporate action to approve and establish the terms of the Preferred Securities Guarantee and to authorize and approve the issuance thereof, the terms of the offering and related matters; and (iii) the Preferred Securities Guarantee has been duly executed, issued and delivered in accordance with the resolutions of the Board of Directors of the Company (or a committee thereof), then upon payment for and delivery of the Preferred Securities in accordance with the applicable purchase agreement, the Preferred Securities Guarantee will constitute a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

10. With respect to Trust Debentures, when (i) either (a) each of the conditions set forth in paragraph 2 above have been satisfied (if the Trust Debentures are issued under the Subordinated Indenture) or (b) each of the conditions set forth in paragraph 3 above have been satisfied (if the Trust Debentures are issued under the Junior Subordinated Indenture) (ii) the Board of Directors of the Company (or a committee thereof) has taken all necessary corporate action to approve the issuance and terms of any Trust Debentures, the terms of the offering thereof and related matters, (iii) the terms of the Trust Debentures and their issuance and sale have been duly established so as not to violate any applicable law or result in a default under or

breach of any agreement or instrument binding upon the Company and so as to comply with any requirement or restriction imposed by any court or governmental body jurisdiction over the Company, and (iv) the Trust Debentures have been duly executed, authenticated, issued and delivered in accordance with the provisions of the Subordinated Indenture or Junior Subordinated Indenture, as applicable, and in accordance with the applicable definitive purchase agreement, underwriting or similar agreement approved by the Board of Directors (or a committee thereof), then upon payment of the consideration provided for therein, the Trust Debentures will be legally issued and will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms and will be entitled to the benefits of the Subordinated Indenture or Junior Subordinated Indenture, as applicable.

The foregoing opinions are qualified to the extent that the enforceability of any document, instrument or Security may be limited by or subject to (i) bankruptcy, insolvency, fraudulent transfer or conveyance, reorganization, moratorium or other similar laws relating to or affecting creditors' rights generally, and general equitable or public policy principles, and (ii) with respect to any Debt Securities denominated in a currency other than United States dollars, the requirement that a claim (or a foreign currency judgment in respect of such a claim) with respect to such Securities be converted to United States dollars at a rate of exchange prevailing on a date determined pursuant to applicable law or governmental authority.

We express no opinions concerning (i) the validity or enforceability of any provisions contained in Indentures that purport to waive or not give effect to rights to notices, defenses, subrogation or other rights or benefits that cannot be effectively waived under applicable law or (ii) the enforceability of indemnification provisions to the extent they purport to relate to liabilities resulting from or based upon negligence or any violation of federal or state securities or blue sky laws.

The foregoing opinions are limited in all respects to the laws of the Delaware General Corporation Law (including the applicable provisions of the Delaware Constitution and the reported judicial decisions interpreting these laws) and the laws of the State of New York and the federal law of the United States of America, and we do not express any opinions as to the laws of any other jurisdiction.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement. By giving such consent, we do not admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Securities and Exchange Commission issued thereunder.

Very truly yours,

/s/ VINSON & ELKINS L.L.P.

Vinson & Elkins L.L.P.

[Letterhead of Morris, Nichols, Arsht & Tunnell]

November 30, 2001

Halliburton Capital Trust I  
c/o Halliburton Company  
3600 Lincoln Plaza  
500 North Akard Street  
Dallas, Texas 75201

Re: Halliburton Capital Trust I

Ladies and Gentlemen:

We have acted as special Delaware counsel to Halliburton Capital Trust I, a Delaware statutory business trust (the "Trust"), and Halliburton Company, a Delaware corporation (the "Company"), in connection with certain matters relating to (i) the formation of the Trust and (ii) the proposed issuance by the Trust of Preferred Securities to beneficial owners pursuant to and as described in the Registration Statement (and the prospectus forming a part thereof) on Form S-3 filed with the Securities and Exchange Commission by the Company and the Trust on or about the date hereof (the "Registration Statement"). Capitalized terms used herein and not otherwise herein defined are used as defined in the form of Amended and Restated Declaration of Trust of the Trust attached as an exhibit to the Registration Statement (the "Form Amended and Restated Declaration of Trust").

In rendering this opinion, we have examined and relied upon copies of the following documents in the forms provided to us: the Certificate of Trust of the Trust as filed in the Office of the Secretary of State of the State of Delaware (the "State Office") on November 29, 2001 (the "Certificate of Trust"); a Declaration of Trust of the Trust dated as of November 29, 2001 (the "Original Governing Instrument"); the Form Amended and Restated Declaration of Trust; the Junior Subordinated Indenture to be entered into between the Company and JPMorgan Chase Bank, as trustee; the form of [First][Second] Supplemental Indenture to be entered into between the Company and JPMorgan Chase Bank, as trustee; the form of Preferred Securities Guarantee Agreement to be entered into between the Company and JPMorgan Chase Bank, as trustee; the Registration Statement; and a certification of good standing of the Trust obtained as of a recent

date from the State Office. In such examinations, we have assumed the genuineness of all signatures, the conformity to original documents of all documents submitted to us as drafts or copies or forms of documents to be executed and the legal capacity of natural persons to complete the execution of documents. We have further assumed for purposes of this opinion: (i) the due formation or organization, valid existence and good standing of each entity (other than the Trust) that is a party to any of the documents reviewed by us under the laws of the jurisdiction of its respective formation or organization; (ii) the due authorization, execution and delivery by, or on behalf of, each of the parties thereto of the above-referenced documents (including, without limitation, the due authorization, execution and delivery of an Amended and Restated Declaration of Trust of the Trust in the form of the Form Amended and Restated Declaration of Trust (completed, as necessary, to be in final form) (the "Governing Instrument") prior to the first issuance of Preferred Securities); (iii) that the Preferred Securities of the Trust will be offered and sold pursuant to the prospectus forming a part of the Registration Statement and a prospectus supplement thereto (collectively, the "Prospectus") that will be consistent with, and accurately describe, the terms of the Governing Instrument and all other relevant documents; (iv) that no event has occurred subsequent to the filing of the Certificate of Trust, or will occur prior to the first issuance of Preferred Securities, that would cause a dissolution or liquidation of the Trust under the Original Governing Instrument or the Governing Instrument, as applicable; (v) that the activities of the Trust have been and will be conducted in accordance with the Original Governing Instrument or the Governing Instrument, as applicable, and the Delaware Business Trust Act, 12 Del. C. ss.ss. 3801 et seq. (the "Delaware Act"); (vi) that payment of the required consideration for the Preferred Securities has, or prior to the first issuance of Preferred Securities will have, been made in accordance with the terms and conditions of the Governing Instrument and the Registration Statement and that the Preferred Securities are otherwise issued and sold to the Preferred Security Holders in accordance with the terms, conditions, requirements and procedures set forth in the Governing Instrument and the Registration Statement; (vii) that the Sponsor has directed, or will direct prior to the issuance of the Preferred Securities, the Administrative Trustees to take the actions contemplated by Section 3.6(b) of the Governing Instrument; and (viii) that the documents examined by us are in full force and effect, express the entire understanding of the parties thereto with respect to the subject matter thereof and have not been amended, supplemented or otherwise modified, except as herein referenced. We have not reviewed any documents other than those identified above in connection with this opinion, and we have assumed that there are no other documents that are contrary to or inconsistent with the opinions expressed herein. Further, we express no opinion with respect to, and assume no responsibility for the contents of, the Registration Statement or any other offering material relating to the Preferred Securities. No opinion is expressed herein with respect to the requirements of, or compliance with, federal or state securities or blue sky laws. As to any fact material to our opinion, other than those assumed, we have relied without independent investigation on the above-referenced documents and on the accuracy, as of the date hereof, of the matters therein contained.

Based on and subject to the foregoing, and limited in all respects to matters of Delaware law, it is our opinion that:

1. The Trust is a duly formed and validly existing business trust in good standing under the laws of the State of Delaware.

2. Upon issuance, the Preferred Securities will constitute validly issued and, subject to the qualifications set forth in paragraph 3 below, fully paid and nonassessable beneficial interests in the assets of the Trust.

3. Under the Delaware Act and the terms of the Governing Instrument, each Preferred Security Holder of the Trust, in such capacity, will be entitled to the same limitation of personal liability as that extended to stockholders of private corporations for profit organized under the General Corporation Law of the State of Delaware; provided, however, we express no opinion with respect to the liability of any Preferred Security Holder who is, was or may become a named Trustee of the Trust. Notwithstanding the foregoing, we note that, pursuant to the Governing Instrument, Preferred Security Holders may be obligated to make payments or provide indemnity or security under the circumstances set forth therein.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the use of our name and reference to our opinion under the heading "VALIDITY OF SECURITIES" in the Prospectus forming a part thereof. In giving this consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission thereunder. This opinion speaks only as of the date hereof and is based on our understandings and assumptions as to present facts, and on our review of the above-referenced documents and the application of Delaware law as the same exist as of the date hereof, and we undertake no obligation to update or supplement this opinion after the date hereof for the benefit of any person or entity with respect to any facts or circumstances that may hereafter come to our attention or any changes in facts or law that may hereafter occur or take effect.

Very truly yours,

MORRIS, NICHOLS, ARSHT & TUNNELL

/s/ JONATHAN I. LESSNER

Jonathan I. Lessner

## Halliburton Company

Computation of Ratios of Combined Fixed Charges  
and Preference Dividends to Earnings  
Exhibit 12.1  
(Millions of dollars except ratios)

	Nine months ended September 30 2001 (Unaudited)	Years ended December 31				
		2000	1999	1998	1997	1996
<b>Earnings:</b>						
Income (loss) from continuing operations before provision for income taxes, minority interest, and cumulative effect of changes in accounting methods .....	\$ 709	\$ 335	\$ 307	\$ 55	\$ 1,096	\$ 604
Add (deduct):						
Interest expense including amortization of debt discount and issue costs .....	\$ 115	\$ 146	\$ 141	\$ 134	\$ 108	\$ 70
Interest portion of long-term fixed rent .....	\$ 43	\$ 57	\$ 53	\$ 61	\$ 52	\$ 41
Equity in income of joint venture operations .....	\$ (73)	\$ (88)	\$ (99)	\$(154)	\$ (133)	\$(110)
Dividends received from less than 50% owned affiliates and the Company's proportionate share of pretax income of 50% owned affiliates .....	\$ 14	\$ 27	\$ 57	\$ 93	\$ 52	\$ 14
<b>Total earnings .....</b>	<b>\$ 808</b>	<b>\$ 477</b>	<b>\$ 459</b>	<b>\$ 189</b>	<b>\$ 1,175</b>	<b>\$ 619</b>
<b>Fixed charges:</b>						
Interest expense including amortization of debt discount and issue cost .....	\$ 115	\$ 146	\$ 141	\$ 134	\$ 108	\$ 70
Preference dividends .....	--	--	--	--	--	--
Interest portion of long-term fixed rent .....	\$ 43	\$ 57	\$ 53	\$ 61	\$ 52	\$ 41
<b>Total fixed charges .....</b>	<b>\$ 158</b>	<b>\$ 203</b>	<b>\$ 194</b>	<b>\$ 195</b>	<b>\$ 160</b>	<b>\$ 111</b>
<b>Ratio of combined fixed charges and preference dividends to earnings .....</b>	<b>5.1</b>	<b>2.3</b>	<b>2.4</b>	<b>(a)</b>	<b>7.3</b>	<b>5.6</b>

(a) Earnings were inadequate to cover combined fixed charges and preference dividends in 1998 by \$6 million

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY UNDER THE  
TRUST INDENTURE ACT OF 1939  
OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY  
OF A TRUSTEE PURSUANT TO SECTION 305(b)(2) \_\_\_\_\_

-----  
JPMORGAN CHASE BANK  
(Formerly THE CHASE MANHATTAN BANK)  
(Exact name of trustee as specified in its charter)

13-4994650  
(I.R.S. Employer Identification Number)

712 Main Street, Houston, Texas 77002  
(Address of principal executive offices) (Zip code)

Lee Boocker, 712 Main Street, 26th Floor  
Houston, Texas 77002 (713) 216-2448  
(Name, address and telephone number of agent for service)

HALLIBURTON COMPANY  
(Exact name of obligor as specified in its charter)

Delaware 75-2677995  
(State or other jurisdiction of (I.R.S. Employer  
incorporation or organization) Identification Number)

3600 Lincoln Plaza  
500 North Akard Street  
Dallas, Texas 75201  
(Address of principal executive offices) (Zip code)

Debt Securities  
Trust Debentures  
Guarantee of Trust Preferred Securities  
(Title of indenture securities)

=====

Item 1. General Information.

Furnish the following information as to the trustee:

- (a) Name and address of each examining or supervising authority to which it is subject.

State of New York Banking Department  
Federal Deposit Insurance Corporation, Washington, D.C.  
Board of Governors of the Federal Reserve System, Washington, D.C.

- (b) Whether it is authorized to exercise corporate trust powers.

The trustee is authorized to exercise corporate trust powers.

Item 2. Affiliations with the obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

The obligor is not an affiliate of the trustee. (See Note on Page 7.)

Item 3. Voting Securities of the trustee.

Furnish the following information as to each class of voting securities of the trustee.

Col. A	Col. B
Title of class	Amount outstanding
-----	-----

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 4. Trusteeships under other indentures.

If the trustee is a trustee under another indenture under which any other securities, or certificates of interest or participation in any other securities, of the obligor are outstanding, furnish the following information:

- (a) Title of the securities outstanding under each such other indenture.

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 4. (Continued)

(b) A brief statement of the facts relied upon as a basis for the claim that no conflicting interest within the meaning of Section 310(b)(1) of the Act arises as a result of the trusteeship under any such other indenture, including a statement as to how the indenture securities will rank as compared with the securities issued under such other indenture.

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 5. Interlocking directorates and similar relationships with obligor or underwriters.

If the trustee or any of the directors or executive officer of the trustee is a director, officer, partner, employee, appointee, or representative of the obligor or of any underwriter for the obligor, identify each such person having any such connection and state the nature of each such connection.

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 6. Voting securities of the trustee owned by the obligor or its officials.

Furnish the following information as to the voting securities of the trustee owned beneficially by the obligor and each director, partner and executive officer of the obligor.

Col. A	Col. B	Col. C	Col. D
Name of owner	Title of class	Amount owned beneficially	Percentage of voting securities represented by amount given in Col. C
-----	-----	-----	-----

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 7. Voting securities of the trustee owned by underwriters or their officials.

Furnish the following information as to the voting securities of the trustee owned beneficially by each underwriter for the obligor and each director, partner and executive officer of each such underwriter.

Col. A	Col. B	Col. C	Col. D
Name of owner	Title of class	Amount owned beneficially	Percentage of voting securities represented by amount given in Col. C
-----	-----	-----	-----

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 8. Securities of the obligor owned or held by the trustee.

Furnish the following information as to the securities of the obligor owned beneficially or held as collateral security for obligations in default by the trustee.

Col. A	Col. B	Col. C	Col. D
Title of class	Whether the securities are voting or nonvoting securities	Amount owned beneficially or held as collateral security for obligations in default	Percent of class represented by amount given in Col. C
-----	-----	-----	-----

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 9. Securities of underwriters owned or held by the trustee.

If the trustee owns beneficially or holds as collateral security for obligations in default any securities of an underwriter for the obligor, furnish the following information as to each class of securities of such underwriter any of which are so owned or held by the trustee.

Col. A	Col. B	Col. C	Col. D
Name of issuer and Title of class	Amount outstanding	Amount owned beneficially or held as collateral security for obligations in default by trustee	Percent of class represented by amount given in Col. C
-----	-----	-----	-----

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 10. Ownership or holdings by the trustee of voting securities of certain affiliates or security holders of the obligor.

If the trustee owns beneficially or holds as collateral security for obligations in default voting securities of a person who, to the knowledge of the trustee (1) owns 10% or more of the voting securities of the obligor or (2) is an affiliate, other than a subsidiary, of the obligor, furnish the following information as to the voting securities of such person.

Col. A	Col. B	Col. C	Col. D
Name of issuer and Title of class	Amount outstanding	Amount owned beneficially or held as collateral security for obligations in default by trustee	Percent of class represented by amount given in Col. C
-----	-----	-----	-----

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 11. Ownership or holdings by the trustee of any securities of a person owning 50% or more of the voting securities of the obligor.

If the trustee owns beneficially or holds as collateral security for obligations in default any securities of a person who, to the knowledge of the trustee, owns 50% or more of the voting securities of the obligor, furnish the following information as to each class of securities or such person any of which are so owned or held by the trustee.

Col. A	Col. B	Col. C	Col. D
Name of issuer and Title of class	Amount outstanding	Amount owned beneficially or held as collateral security for obligations in default by trustee	Percent of class represented by amount given in Col. C
-----			
Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.			

Item 12. Indebtedness of the Obligor to the Trustee.

Except as noted in the instructions, if the obligor is indebted to the trustee, furnish the following information:

Col. A	Col. B	Col. C
Nature of Indebtedness	Amount Outstanding	Date Due
-----		

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 13. Defaults by the Obligor.

- (a) State whether there is or has been a default with respect to the securities under this indenture. Explain the nature of any such default.

There is not, nor has there been, a default with respect to the securities under this indenture. (See Note on Page 7.)

Item 13. (Continued)

- (b) If the trustee is a trustee under another indenture under which any any securities, or certificates of interest or participation in any other securities, of the obligor are outstanding, or is trustee for more than one outstanding series of securities under the indenture, state whether there has been a default under any such indenture or series, identify the indenture or series affected, and explain the nature of any such default.

There has not been a default under any such indenture or series. (See Note on Page 7.)

Item 14. Affiliations with the Underwriters.

If any underwriter is an affiliate of the trustee, describe each such affiliation.

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 15. Foreign Trustee.

Identify the order or rule pursuant to which the foreign trustee is authorized to act as sole trustee under indentures qualified or to be qualified under the Act.

Not applicable.

Item 16. List of Exhibits.

List below all exhibits filed as part of this statement of eligibility.

- o 1. A copy of the articles of association of the trustee now in effect.
- # 2. A copy of the certificate of authority of the trustee to commence business.
- \* 3. A copy of the certificate of authorization of the trustee to exercise corporate trust powers.
- + 4. A copy of the existing bylaws of the trustee.
- 5. Not applicable.
- 6. The consent of the United States institutional trustees required by Section 321(b) of the Act.
- 7. A copy of the latest report of condition of the trustee published pursuant to law or the requirements of its supervising or examining authority.
- 8. Not applicable.
- 9. Not applicable.

NOTE REGARDING INCORPORATED EXHIBITS

Effective November 10, 2001, Morgan Guaranty Trust Company of New York merged into The Chase Manhattan Bank, with the latter being the survivor of the merger under the name JPMorgan Chase Bank. The exhibits incorporated below relate to The Chase Manhattan Bank.

The report of condition attached as Exhibit 7 is that of The Chase Manhattan Bank for the second quarter, 2001.

o Incorporated by reference to exhibit bearing the same designation and previously filed with the Securities and Exchange Commission as exhibits to the Form S-4 File No. 333-46070.

# Incorporated by reference to exhibit bearing the same designation and previously filed with the Securities and Exchange Commission as exhibits to the Form S-4 File No. 333-46070.

\* The Trustee is authorized under the banking law of the State of New York to exercise corporate trust powers.

+ Incorporated by reference to exhibit bearing the same designation and previously filed with the Securities and Exchange Commission as exhibits to the Form S-4 File No. 333-46070.

NOTE

Inasmuch as this Form T-1 is filed prior to the ascertainment by the trustee of all facts on which to base responsive answers to Items 2 and 13, the answers to said Items are based on incomplete information. Such Items may, however, be considered as correct unless amended by an amendment to this Form T-1.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939 the Trustee, JPMorgan Chase Bank, a New York banking corporation, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto authorized, all in the City of Houston, and State of Texas, on the 29 day of November, 2001.

JPMORGAN CHASE BANK,  
as Trustee

By: /s/ Letha R. Glover

-----

Letha R. Glover  
Vice President and Trust Officer

Securities and Exchange Commission  
Washington, D.C. 20549

Ladies and Gentlemen:

JPMorgan Chase Bank (or a predecessor thereof) is trustee (the "Trustee") under various trust indentures, as supplemented and amended, between Halliburton Company, a Delaware corporation (or a predecessor thereof), as obligor (the "Company"), and the Trustee, entered into in connection with the issuance of the Company's Debt Securities, Trust Debentures and Guarantee of Trust Preferred Securities.

In accordance with Section 321(b) of the Trust Indenture Act of 1939, the undersigned hereby consents that reports of examinations of the undersigned, made by Federal or State authorities authorized to make such examinations, may be furnished by such authorities to the Securities and Exchange Commission upon its request therefor.

Very truly yours,

JPMORGAN CHASE BANK, as Trustee

By: \_\_\_\_\_  
Letha R. Glover  
Vice President and Trust Officer

Exhibit 7 to Form T-1

Bank Call Notice

RESERVE DISTRICT NO. 2  
CONSOLIDATED REPORT OF CONDITION OF

The Chase Manhattan Bank  
of 270 Park Avenue, New York, New York 10017  
and Foreign and Domestic Subsidiaries,  
a member of the Federal Reserve System,

at the close of business June  
30, 2001, in accordance with a call made  
by the Federal Reserve Bank of this  
District pursuant to the provisions of  
the Federal Reserve Act.

ASSETS	Dollar Amounts in Millions
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin .....	\$ 21,536
Interest-bearing balances .....	31,428
Securities:	
Held to maturity securities .....	481
Available for sale securities .....	60,903
Federal funds sold and securities purchased under agreements to resell .....	42,824
Loans and lease financing receivables:	
Loans and leases held for sale .....	3,856
Loans and leases, net of unearned income .....	155,575
Less: Allowance for loan and lease losses .....	2,276
Loans and leases, net of unearned income and allowance .....	153,299
Trading Assets .....	66,636
Premises and fixed assets (including capitalized leases) .....	4,468
Other real estate owned .....	45
Investments in unconsolidated subsidiaries and associated companies .....	353
Customers' liability to this bank on acceptances outstanding .....	346
Intangible assets	
Goodwill .....	1,785
Other Intangible assets .....	4,365
Other assets .....	19,923
TOTAL ASSETS .....	\$ 412,248 =====

LIABILITIES

Deposits	
In domestic offices .....	\$137,865
Noninterest-bearing .....	56,799
Interest-bearing .....	81,066
In foreign offices, Edge and Agreement subsidiaries and IBF's .....	113,924
Noninterest-bearing .....	6,537
Interest-bearing .....	107,387
Federal funds purchased and securities sold under agree- ments to repurchase .....	65,474
Trading liabilities .....	39,611
Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases) .....	10,573
Bank's liability on acceptances executed and outstanding .....	346
Subordinated notes and debentures .....	6,355
Other liabilities .....	14,772
TOTAL LIABILITIES .....	388,920
Minority Interest in consolidated subsidiaries .....	89

EQUITY CAPITAL

Perpetual preferred stock and related surplus .....	0
Common stock .....	1,211
Surplus (exclude all surplus related to preferred stock) .....	12,715
Retained earnings .....	9,985
Accumulated other comprehensive income .....	(672)
Other equity capital components .....	0
TOTAL EQUITY CAPITAL .....	23,239
	-----
TOTAL LIABILITIES, MINORITY INTEREST, AND EQUITY CAPITAL .....	\$412,248
	=====

I, Joseph L. Sclafani, E.V.P. & Controller of the above-named bank, do hereby declare that this Report of Condition has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true to the best of my knowledge and belief.

JOSEPH L. SCLAFANI

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true and correct.

WILLIAM B. HARRISON JR.	)	
DOUGLAS A. WARNER III	)	DIRECTORS
WILLIAM H. GRAY III	)	

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

-----  
FORM T-1

STATEMENT OF ELIGIBILITY UNDER THE  
TRUST INDENTURE ACT OF 1939  
OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY  
OF A TRUSTEE PURSUANT TO SECTION 305(b)(2) \_\_\_\_\_

-----  
JPMORGAN CHASE BANK  
(Formerly THE CHASE MANHATTAN BANK)  
(Exact name of trustee as specified in its charter)

13-4994650  
(I.R.S. Employer Identification Number)

712 Main Street, Houston, Texas 77002  
(Address of principal executive offices) (Zip code)

Lee Boocker, 712 Main Street, 26th Floor  
Houston, Texas 77002 (713) 216-2448  
(Name, address and telephone number of agent for service)

HALLIBURTON CAPITAL TRUST I  
(Exact name of obligor as specified in its charter)

Delaware Applied For  
(State or other jurisdiction of (I.R.S. Employer  
incorporation or organization) Identification Number)

c/o Halliburton Company 75201  
3600 Lincoln Plaza (Zip code)  
500 North Akard Street  
Dallas, Texas  
(Address of principal executive offices)

Trust Preferred Securities  
(Title of indenture securities)

=====

Item 1. General Information.

Furnish the following information as to the trustee:

- (a) Name and address of each examining or supervising authority to which it is subject.

State of New York Banking Department  
Federal Deposit Insurance Corporation, Washington, D.C.  
Board of Governors of the Federal Reserve System, Washington, D.C.

- (b) Whether it is authorized to exercise corporate trust powers.

The trustee is authorized to exercise corporate trust powers.

Item 2. Affiliations with the obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

The obligor is not an affiliate of the trustee. (See Note on Page 7.)

Item 3. Voting Securities of the trustee.

Furnish the following information as to each class of voting securities of the trustee.

Col. A	Col. B
Title of class	Amount outstanding
-----	-----

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 4. Trusteeships under other indentures.

If the trustee is a trustee under another indenture under which any other securities, or certificates of interest or participation in any other securities, of the obligor are outstanding, furnish the following information:

- (a) Title of the securities outstanding under each such other indenture.

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 4. (Continued)

(b) A brief statement of the facts relied upon as a basis for the claim that no conflicting interest within the meaning of Section 310(b)(1) of the Act arises as a result of the trusteeship under any such other indenture, including a statement as to how the indenture securities will rank as compared with the securities issued under such other indenture.

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 5. Interlocking directorates and similar relationships with obligor or underwriters.

If the trustee or any of the directors or executive officer of the trustee is a director, officer, partner, employee, appointee, or representative of the obligor or of any underwriter for the obligor, identify each such person having any such connection and state the nature of each such connection.

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 6. Voting securities of the trustee owned by the obligor or its officials.

Furnish the following information as to the voting securities of the trustee owned beneficially by the obligor and each director, partner and executive officer of the obligor.

Col. A	Col. B	Col. C	Col. D
Name of owner -----	Title of class -----	Amount owned beneficially -----	Percentage of voting securities represented by amount given in Col. C -----

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 7. Voting securities of the trustee owned by underwriters or their officials.

Furnish the following information as to the voting securities of the trustee owned beneficially by each underwriter for the obligor and each director, partner and executive officer of each such underwriter.

Col. A	Col. B	Col. C	Col. D
Name of owner	Title of class	Amount owned beneficially	Percentage of voting securities represented by amount given in Col. C
-----	-----	-----	-----

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 8. Securities of the obligor owned or held by the trustee.

Furnish the following information as to the securities of the obligor owned beneficially or held as collateral security for obligations in default by the trustee.

Col. A	Col. B	Col. C	Col. D
Title of class	Whether the securities are voting or nonvoting securities	Amount owned beneficially or held as collateral security for obligations in default	Percent of class represented by amount given in Col. C
-----	-----	-----	-----

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 9. Securities of underwriters owned or held by the trustee.

If the trustee owns beneficially or holds as collateral security for obligations in default any securities of an underwriter for the obligor, furnish the following information as to each class of securities of such underwriter any of which are so owned or held by the trustee.

Col. A	Col. B	Col. C	Col. D
Name of issuer and Title of class	Amount outstanding	Amount owned beneficially or held as collateral security for obligations in default by trustee	Percent of class represented by amount given in Col. C
-----	-----	-----	-----

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 10. Ownership or holdings by the trustee of voting securities of certain affiliates or security holders of the obligor.

If the trustee owns beneficially or holds as collateral security for obligations in default voting securities of a person who, to the knowledge of the trustee (1) owns 10% or more of the voting securities of the obligor or (2) is an affiliate, other than a subsidiary, of the obligor, furnish the following information as to the voting securities of such person.

Col. A	Col. B	Col. C	Col. D
Name of issuer and Title of class	Amount outstanding	Amount owned beneficially or held as collateral security for obligations in default by trustee	Percent of class represented by amount given in Col. C
-----	-----	-----	-----

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 11. Ownership or holdings by the trustee of any securities of a person owning 50% or more of the voting securities of the obligor.

If the trustee owns beneficially or holds as collateral security for obligations in default any securities of a person who, to the knowledge of the trustee, owns 50% or more of the voting securities of the obligor, furnish the following information as to each class of securities or such person any of which are so owned or held by the trustee.

Col. A	Col. B	Col. C	Col. D
Name of issuer and Title of class -----	Amount outstanding -----	Amount owned beneficially or held as collateral security for obligations in default by trustee -----	Percent of class represented by amount given in Col. C -----

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 12. Indebtedness of the Obligor to the Trustee.

Except as noted in the instructions, if the obligor is indebted to the trustee, furnish the following information:

Col. A	Col. B	Col. C
Nature of Indebtedness -----	Amount Outstanding -----	Date Due -----

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 13. Defaults by the Obligor.

- (a) State whether there is or has been a default with respect to the securities under this indenture. Explain the nature of any such default.

There is not, nor has there been, a default with respect to the securities under this indenture. (See Note on Page 7.)

Item 13. (Continued)

- (b) If the trustee is a trustee under another indenture under which any securities, or certificates of interest or participation in any other securities, of the obligor are outstanding, or is trustee for more than one outstanding series of securities under the indenture, state whether there has been a default under any such indenture or series, identify the indenture or series affected, and explain the nature of any such default.

There has not been a default under any such indenture or series.  
(See Note on Page 7.)

Item 14. Affiliations with the Underwriters.

If any underwriter is an affiliate of the trustee, describe each such affiliation.

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 15. Foreign Trustee.

Identify the order or rule pursuant to which the foreign trustee is authorized to act as sole trustee under indentures qualified or to be qualified under the Act.

Not applicable.

Item 16. List of Exhibits.

List below all exhibits filed as part of this statement of eligibility.

- o 1. A copy of the articles of association of the trustee now in effect.
- # 2. A copy of the certificate of authority of the trustee to commence business.
- \* 3. A copy of the certificate of authorization of the trustee to exercise corporate trust powers.
- + 4. A copy of the existing bylaws of the trustee.
- 5. Not applicable.
- 6. The consent of the United States institutional trustees required by Section 321(b) of the Act.
- 7. A copy of the latest report of condition of the trustee published pursuant to law or the requirements of its supervising or examining authority.
- 8. Not applicable.
- 9. Not applicable.

NOTE REGARDING INCORPORATED EXHIBITS

Effective November 10, 2001, Morgan Guaranty Trust Company of New York merged into The Chase Manhattan Bank, with the latter being the survivor of the merger under the name JPMorgan Chase Bank. The exhibits incorporated below relate to The Chase Manhattan Bank.

The report of condition attached as Exhibit 7 is that of The Chase Manhattan Bank for the second quarter, 2001.

o Incorporated by reference to exhibit bearing the same designation and previously filed with the Securities and Exchange Commission as exhibits to the Form S-4 File No. 333-46070.

# Incorporated by reference to exhibit bearing the same designation and previously filed with the Securities and Exchange Commission as exhibits to the Form S-4 File No. 333-46070.

\* The Trustee is authorized under the banking law of the State of New York to exercise corporate trust powers.

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NOTE

Inasmuch as this Form T-1 is filed prior to the ascertainment by the trustee of all facts on which to base responsive answers to Items 2 and 13, the answers to said Items are based on incomplete information. Such Items may, however, be considered as correct unless amended by an amendment to this Form T-1.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939 the Trustee, JPMorgan Chase Bank, a New York banking corporation, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto authorized, all in the City of Houston, and State of Texas, on the 29 day of November, 2001.

JPMORGAN CHASE BANK,  
as Trustee

By: /s/ Letha R. Glover

-----  
Letha R. Glover  
Vice President and Trust Officer

Securities and Exchange Commission  
Washington, D.C. 20549

Ladies and Gentlemen:

JPMorgan Chase Bank is property trustee (the "Trustee") under a Trust Agreement between Halliburton Company, a Delaware corporation, as obligor (the "Company"), and the Trustee, entered into in connection with issuance of the Company's Trust Preferred Securities.

In accordance with Section 321(b) of the Trust Indenture Act of 1939, the undersigned hereby consents that reports of examinations of the undersigned, made by Federal or State authorities authorized to make such examinations, may be furnished by such authorities to the Securities and Exchange Commission upon its request therefor.

Very truly yours,

JPMORGAN CHASE BANK, as Trustee

By: \_\_\_\_\_  
Letha R. Glover  
Vice President and Trust Officer

8

Exhibit 7 to Form T-1

Bank Call Notice

RESERVE DISTRICT NO. 2  
 CONSOLIDATED REPORT OF CONDITION OF

The Chase Manhattan Bank  
 of 270 Park Avenue, New York, New York 10017  
 and Foreign and Domestic Subsidiaries,  
 a member of the Federal Reserve System,

at the close of business June  
 30, 2001, in accordance with a call made  
 by the Federal Reserve Bank of this  
 District pursuant to the provisions of  
 the Federal Reserve Act.

ASSETS	Dollar Amounts in Millions
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin .....	\$ 21,536
Interest-bearing balances .....	31,428
Securities:	
Held to maturity securities .....	481
Available for sale securities .....	60,903
Federal funds sold and securities purchased under agreements to resell .....	42,824
Loans and lease financing receivables:	
Loans and leases held for sale .....	3,856
Loans and leases, net of unearned income .....	155,575
Less: Allowance for loan and lease losses .....	2,276
Loans and leases, net of unearned income and allowance .....	153,299
Trading Assets .....	66,636
Premises and fixed assets (including capitalized leases) .....	4,468
Other real estate owned .....	45
Investments in unconsolidated subsidiaries and associated companies .....	353
Customers' liability to this bank on acceptances outstanding .....	346
Intangible assets	
Goodwill .....	1,785
Other Intangible assets .....	4,365
Other assets .....	19,923
TOTAL ASSETS .....	\$ 412,248 =====

LIABILITIES

Deposits	
In domestic offices .....	\$ 137,865
Noninterest-bearing .....	56,799
Interest-bearing .....	81,066
In foreign offices, Edge and Agreement	
subsidiaries and IBF's .....	113,924
Noninterest-bearing .....	6,537
Interest-bearing .....	107,387
Federal funds purchased and securities sold under agree-	
ments to repurchase .....	65,474
Trading liabilities .....	39,611
Other borrowed money (includes mortgage indebtedness	
and obligations under capitalized leases) .....	10,573
Bank's liability on acceptances executed and outstanding .....	346
Subordinated notes and debentures .....	6,355
Other liabilities .....	14,772
TOTAL LIABILITIES .....	388,920
Minority Interest in consolidated subsidiaries .....	89

EQUITY CAPITAL

Perpetual preferred stock and related surplus .....	0
Common stock .....	1,211
Surplus (exclude all surplus related to preferred stock) .....	12,715
Retained earnings .....	9,985
Accumulated other comprehensive income .....	(672)
Other equity capital components .....	0
TOTAL EQUITY CAPITAL .....	23,239
TOTAL LIABILITIES, MINORITY INTEREST, AND EQUITY CAPITAL .....	\$ 412,248
	=====

I, Joseph L. Sclafani, E.V.P. & Controller of the above-named bank, do hereby declare that this Report of Condition has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true to the best of my knowledge and belief.

JOSEPH L. SCLAFANI

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true and correct.

WILLIAM B. HARRISON JR.	)	
DOUGLAS A. WARNER III	)	DIRECTORS
WILLIAM H. GRAY III	)	