

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

FORM S-3

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Northrop Grumman Corporation
Northrop Grumman S&MS Finance, LLC
Northrop Grumman Systems Finance, LLC
(Exact Name of Registrant as Specified in Its Charter)

Delaware
Delaware
Delaware
(State or Other Jurisdiction of Incorporation or Organization)

95-4840775
34-0575430
95-1055798
(I.R.S. Employer Identification Number)

1840 Century Park East
Los Angeles, California 90067
(310) 553-6262

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Stephen D. Yslas
Corporate Vice President, Secretary and Deputy General Counsel
Northrop Grumman Corporation
1840 Century Park East
Los Angeles, California 90067
(310) 553-6262

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies To:
John J. Hentrich, Esq.
John D. Tishler, Esq.
Sheppard, Mullin, Richter & Hampton LLP
12275 El Camino Real, Suite 200
San Diego, California 92130-2006
(858) 720-8900

Approximate Date of Commencement of Proposed Sale to the Public: From time to time after this registration statement becomes effective.

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

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

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Securities Exchange Act of 1934.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Senior Debt Securities of Northrop Grumman Corporation	(1)	(1)	(1)	\$0(1)(2)

Senior Debt Securities of Northrop Grumman S&MS Finance, LLC	(1)	(1)	(1)	\$0(1)(2)
Senior Debt Securities of Northrop Grumman Systems Finance, LLC	(1)	(1)	(1)	\$0(1)(2)
Common Stock, par value \$1.00 per share, of Northrop Grumman Corporation	(1)	(1)	(1)	\$0(1)(2)
Guarantees of the Senior Debt Securities of Northrop Grumman S&MS Finance, LLC and Northrop Grumman Systems Finance, LLC by Northrop Grumman Corporation				

(1) An indeterminate aggregate initial offering price and amount or number of securities is being registered as may from time to time be offered at indeterminate prices.

(2) In accordance with Rules 456(b) and 457(r) under the Securities Act, the registrant is deferring payment of all of the registration fee.

NORTHROP GRUMMAN

NORTHROP GRUMMAN CORPORATION
SENIOR DEBT SECURITIES
COMMON STOCK
GUARANTEES OF SENIOR DEBT SECURITIES

NORTHROP GRUMMAN S&MS FINANCE, LLC
NORTHROP GRUMMAN SYSTEMS FINANCE, LLC

SENIOR DEBT SECURITIES

fully and unconditionally guaranteed as described in the
applicable prospectus supplement by

NORTHROP GRUMMAN CORPORATION

We may offer and sell any combination of the securities described in this prospectus from time to time in one or more offerings, in one or more series and in amounts, at prices and on terms that we will determine at the time of the offering. Any senior debt securities issued by Northrop Grumman S&MS Finance, LLC or Northrop Grumman Systems Finance, LLC, which we refer to as the Finance Subsidiaries, under this prospectus will be fully and unconditionally guaranteed by Northrop Grumman Corporation, which we refer to as Northrop Grumman.

We will provide the specific terms of the securities, including their offering prices, any guarantee by Northrop Grumman, and the methods by which we will sell them, in supplements to this prospectus. The prospectus supplements may also add, update or change information contained in this prospectus. You should read this prospectus and any accompanying prospectus supplements carefully before you make your investment decision.

We may offer and sell the securities on an immediate, continuous or delayed basis directly to investors or through underwriters, dealers or agents, or through a combination of these methods.

This prospectus may not be used to sell securities unless accompanied by a prospectus supplement which will describe the method and terms of the offering, including the specific plan of distribution.

Northrop Grumman's common stock is listed on the New York Stock Exchange under the symbol "NOC".

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is July 29, 2008

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ABOUT THIS PROSPECTUS

Unless otherwise stated or the context otherwise requires, references in this prospectus to “Northrop Grumman” are to Northrop Grumman Corporation, references to “we,” “our,” “us” or similar references are to Northrop Grumman and its consolidated subsidiaries, and references to the “Finance Subsidiaries” are to Northrop Grumman S&MS Finance, LLC and Northrop Grumman Systems Finance, LLC, each of which is a Delaware limited liability company.

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, or the SEC, using a “shelf” registration process. Under this shelf registration process, Northrop Grumman may from time to time sell, either separately or together, senior debt securities or common stock, in one or more offerings to the public, and the Finance Subsidiaries may from time to time sell senior debt securities, which will be fully and unconditionally guaranteed by Northrop Grumman, in one or more offerings to the public. This prospectus provides you with a general description of the these securities.

Each time we sell securities, we will provide a prospectus supplement containing specific information about the terms of that offering. That prospectus supplement may include or incorporate by reference a detailed and current discussion of any risk factors and will discuss any special considerations applicable to those securities. 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.” If there is any inconsistency between the information in this prospectus and any prospectus supplement, you should rely on the information contained in that prospectus supplement.

You should rely only on the information contained or incorporated by reference in this prospectus and any prospectus supplement. We have not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should read this prospectus, including the documents incorporated by reference in this prospectus, when making your investment decision. The information in this prospectus is accurate as of the date on the front cover. You should not assume that the information contained in this prospectus is accurate as of any other date.

WHERE YOU CAN FIND MORE INFORMATION

Northrop Grumman files annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document we file with the SEC (including exhibits to such documents) at the SEC’s Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You may obtain additional information about the Public Reference Room by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains a site on the Internet at <http://www.sec.gov/> that contains reports, proxy statements and other information that we file electronically with the SEC. You may also read such reports, proxy statements and other documents at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005.

We are “incorporating by reference” information into this prospectus. This means that we are disclosing important information to you by referring you to another document that has been filed

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separately with the SEC. The information incorporated by reference is considered to be part of this prospectus, and information that we file later with the SEC will automatically update and supersede the information contained in documents filed earlier with the SEC or contained in this prospectus. We incorporate by reference in this prospectus the documents listed below and any future filings made by us with the SEC under Section 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934 after the initial filing of the registration statement that contains this prospectus and prior to the time that we or the underwriters sell all of the securities offered by this prospectus (except in each case the information contained in such documents to the extent “furnished” and not “filed”):

- our annual report on Form 10-K for the year ended December 31, 2007;
- our quarterly reports on Form 10-Q for the quarters ended March 31, 2008 and June 30, 2008;
- our current reports on Form 8-K filed on January 28, 2008 (as amended on March 14, 2008), February 21, 2008 (as amended on April 7, 2008), February 26, 2008, March 25, 2008, May 27, 2008 and July 29, 2008 (providing disclosures under Items 8.01 and 9.01); and
- the description of our common stock in our registration statement on Form 8-A, registering our common stock under the Exchange Act filed on March 28, 2001.

You may obtain copies, without charge, of documents incorporated by reference in this prospectus, by requesting them in writing or by telephone from us as follows:

Stephen D. Yslas
Corporate Vice President, Secretary and Deputy General Counsel
1840 Century Park East
Los Angeles, California 90067
(310) 553-6262

Exhibits to the filings will not be sent, unless those exhibits have been specifically incorporated by reference in this prospectus.

On July 29, 2008, we filed a current report on Form 8-K which recast the presentation of our consolidated financial statements that we initially filed with the SEC in our annual report on Form 10-K for the year ended December 31, 2007 to reflect:

- the transfer of certain businesses from our Electronics segment to our Mission Systems segment during the first quarter of 2008;
- the transfer of certain programs and assets comprising the missiles business in our Mission Systems segment to our Space Technology segment during the second quarter of 2008; and
- the reclassification of our Electro-Optical Systems business, formerly a part of our Electronics segment, as discontinued operations due to the sale of that business in April 2008.

We have not recast the presentation of our consolidated financial statements that we filed with the SEC in our quarterly report on Form 10-Q for the quarter ended March 31, 2008 to reflect the transfer of

certain programs and assets from the missiles business in our Mission Systems segment to our Space Technology segment because we do not deem that reclassification to be a material change to those financial statements.

FORWARD-LOOKING STATEMENTS AND IMPORTANT FACTORS

The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements. This prospectus, and the documents incorporated herein by reference, contain “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Exchange Act. Additionally, we or our representatives may, from time to time, make other written or verbal forward-looking statements. In this prospectus, and the documents incorporated by reference herein, we discuss plans, expectations and objectives regarding our business, financial condition and results of operations. Without limiting the foregoing, statements that are in the future tense, and all statements accompanied by terms such as “believe,” “project,” “expect,” “estimate,” “forecast,” “assume,” “intend,” “plan,” “anticipate,” “outlook,” “will likely result,” “will continue,” “we believe”, and variations thereof and similar terms are intended to be “forward-looking statements” as defined by federal securities laws. We caution you not to place undue reliance on forward-looking statements, which are based upon assumptions, expectations, plans and projections. Forward-looking statements are subject to risks and uncertainties, including those identified in the “Risk Factors” included in the documents incorporated by reference herein or which may be included in any accompanying prospectus supplements, that may cause actual results to differ materially from those expressed or implied in the forward-looking statements. Forward-looking statements may represent challenges for us. Forward-looking statements speak only as of the date when they are made. Except as required by applicable law, we do not undertake any obligation to update forward-looking statements to reflect events, circumstances, changes in expectations, or the occurrence of unanticipated events after the date of those statements.

We intend that all forward-looking statements made will be subject to safe harbor protection of the federal securities laws pursuant to Section 27A of the Securities Act and Section 21E of the Exchange Act.

Forward-looking statements are based upon, among other things, the company’s assumptions with respect to:

- future revenues;
- expected program performance and cash flows;
- compliance with technical, operational and quality requirements;
- returns on pension plan assets and variability of pension actuarial and related assumptions;
- the outcome of litigation, claims, appeals, bid protests and investigations;
- hurricane-related insurance recoveries;
- environmental remediation;
- acquisitions and divestitures of businesses;

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- joint ventures and other business arrangements;
- access to capital;
- performance issues with key suppliers and subcontractors;
- product performance and the successful execution of internal plans;
- successful negotiation of contracts with labor unions;
- allowability and allocability of costs under U.S. Government contracts;
- effective tax rates and timing and amounts of tax payments;
- the results of any audit or appeal process with the Internal Revenue Service;
- the availability and retention of skilled labor; and
- anticipated costs of capital investments.

NORTHROP GRUMMAN CORPORATION AND THE FINANCE SUBSIDIARIES

We are an integrated enterprise consisting of many formerly separate businesses that cover the entire defense spectrum, from undersea to outer space and into cyberspace. The companies that have become part of Northrop Grumman achieved historic accomplishments, from transporting Charles Lindbergh across the Atlantic to carrying astronauts to the moon's surface and back.

The acquisition of these businesses have shaped our company into its present position as a premier provider of technologically advanced, innovative products, services and solutions in information and services, aerospace, electronics and shipbuilding. As prime contractor, principal subcontractor, partner, or preferred supplier, we participate in many high-priority defense and commercial technology programs in the U.S. and abroad. We conduct most of our business with the U.S. Government, principally the Department of Defense (DoD). We also conduct business with local, state and foreign governments and domestic and international commercial customers.

Each Finance Subsidiary is a limited liability company formed on July 1, 2008 under the laws of the State of Delaware for the primary purpose of financing our business operations. Northrop Grumman S&MS Finance, LLC is a direct wholly owned finance subsidiary of Northrop Grumman Space & Mission Systems Corp., which in turn is a direct wholly owned subsidiary of Northrop Grumman. Northrop Grumman Systems Finance, LLC is a direct wholly owned finance subsidiary of Northrop Grumman Systems Corporation, which in turn is a direct wholly owned subsidiary of Northrop Grumman.

The principal executive offices of Northrop Grumman and the Finance Subsidiaries are located at 1840 Century Park East, Los Angeles, California 90067 and our telephone number is (310) 553-6262.

We maintain an internet site at <http://www.northropgrumman.com/>. The information contained at our internet site is not incorporated by reference in this prospectus, and you should not consider it a part of this prospectus.

USE OF PROCEEDS

Unless we specify otherwise in a prospectus supplement, we will use the net proceeds from the sale of the securities for general corporate purposes. These purposes may include repayment of debt, repurchase or redemption of our common stock, working capital needs, capital expenditures, acquisitions and any other general corporate purpose.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our ratios of earnings to fixed charges for the periods indicated:

Year Ended December 31,					Six Months Ended June 30,	
2007	2006	2005	2004	2003	2008	2007
6.1	5.4	4.7	3.7	2.6	5.6	5.8

For purposes of computing the ratios of earnings to fixed charges, earnings represent earnings from continuing operations before income taxes and fixed charges, and fixed charges consist of interest expense, the portion of rental expense calculated to be representative of the interest factor, and amortization of debt premiums. The ratios should be read in conjunction with the financial statements and other financial data included or incorporated by reference in this prospectus. See “Where You Can Find More Information.”

DESCRIPTION OF SENIOR DEBT SECURITIES

The following description of the senior debt securities, which we refer to as the debt securities, sets forth certain general terms and provisions of the debt securities to which any prospectus supplement may relate. The specific terms of the debt securities offered by any prospectus supplement, and the extent, if any, to which such general provisions may apply to the debt securities so offered, will be described in the prospectus supplement relating to those debt securities.

Northrop Grumman may issue debt securities in one or more series under an existing senior indenture between Northrop Grumman and The Bank of New York Mellon, as indenture trustee. The Finance Subsidiaries may each issue debt securities in one or more series under a senior indenture to be entered into among the applicable Finance Subsidiary, Northrop Grumman, as guarantor, and an indenture trustee, which we expect to be The Bank of New York Mellon. We refer to each of these three senior indentures in this prospectus as an indenture. If we use a different indenture trustee or a different indenture for any series of debt securities, we will provide the details in a prospectus supplement. We will file the forms of any other indentures with the SEC at the time we use them.

We have summarized some of the material provisions of the indentures on the following pages. The summary does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all provisions of the indentures, including definitions of various terms contained in the indentures. A copy of the Northrop Grumman indenture and forms of the indentures of the Finance Subsidiaries are exhibits to the registration statement of which this prospectus is a part. We encourage you to read the indentures. If you would like more information on the indentures, see “Where You Can Find More Information” on how to obtain copies of the indentures. Section references in the summary

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below are to the section in the applicable indenture. The referenced sections of the indentures are incorporated by reference.

Terms

The indentures provide for the issuance of debt securities in one or more series. A prospectus supplement relating to a series of debt securities will include specific terms relating to the offering. These terms will include some or all of the following:

- the issuer and applicable indenture;
- the title and type of the debt securities;
- any limit on the total principal amount of the debt securities;
- the person who will receive interest payments on any debt securities if other than the registered holder;
- the price or prices at which we will sell the debt securities;
- the maturity date or dates of the debt securities;
- the rate or rates, which may be fixed or variable, per annum at which the debt securities will bear interest and the date from which such interest will accrue;
- the dates on which interest will be payable and the related record dates;
- whether any index, formula or other method will determine payments of principal, premium or interest and the manner of determining the amount of such payments;
- the place or places of payments on the debt securities;
- whether the debt securities are redeemable;
- any redemption dates, prices, obligations and restrictions on the debt securities;
- any mandatory or optional sinking fund or purchase fund or analogous provisions;
- the denominations of the debt securities if other than \$1,000 or multiples of \$1,000;
- the currency or currency units of principal, premium and interest payments if other than U.S. dollars;
- any provisions granting special rights if certain events happen;
- any deletions from, changes in or additions to the events of default or the covenants specified in the applicable indenture;
- any trustees, authenticating or paying agents, transfer agents, registrars or other agents for the debt securities;

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- any conversion or exchange features of the debt securities;
- whether we will issue the debt securities as original issue discount securities for federal income tax purposes;
- any special tax implications of the debt securities;
- whether the debt securities will be issued in whole or in part in temporary or permanent global form and, if so, the initial depository with respect to the global security;
- the terms of payment upon acceleration;
- the terms of any guarantee of the debt securities; and
- any other material terms of the debt securities. *(Section 301)*

Northrop Grumman may issue debt securities that are convertible into or exchangeable for the common stock of Northrop Grumman. If Northrop Grumman issues convertible or exchangeable debt securities, we will provide additional information in a prospectus supplement.

Northrop Grumman will fully and unconditionally guarantee the debt securities offered by the Finance Subsidiaries.

We may sell debt securities at a discount below their stated principal amount, bearing no interest or interest at a rate that, at the time of issuance, is different than market rates.

Ranking of Debt Securities and Northrop Grumman Guarantees

The debt securities will be senior unsecured obligations and will rank equally and ratably with all other unsecured and non-subordinated indebtedness of the issuer. The debt securities issued by either Finance Subsidiary will be fully and unconditionally guaranteed on a senior unsecured basis by Northrop Grumman, which guarantee will rank equally and ratably with all other unsecured and non-subordinated indebtedness of Northrop Grumman.

Northrop Grumman Guarantee

Northrop Grumman will fully and unconditionally guarantee to each holder of a series of debt securities issued by any Finance Subsidiary under the applicable indenture the due and punctual payment by the Finance Subsidiary of the principal of, any premium and interest on, and any sinking fund payment obligation with respect to, the debt securities, when and as it becomes due and payable, whether at maturity, upon acceleration, by call for redemption, repayment or otherwise in accordance with the terms of the debt securities and of the indenture.

Except as otherwise set forth in the applicable prospectus supplement, with respect to any series of debt securities sold by any Finance Subsidiary, Northrop Grumman will:

- agree that, if an event of default occurs under the debt securities, its guarantee of the payment by the applicable Finance Subsidiary of all amounts due under the debt securities will be absolute and unconditional and will be enforceable irrespective of any invalidity, irregularity or unenforceability of the debt securities or the indenture or any supplement thereto;

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- waive its right to require the trustee or the holders to pursue or exhaust their legal or equitable remedies against the Finance Subsidiary before exercising their rights under the guarantee; and
- agree to the restrictions set forth below under “—Obligations Under the Indentures.”

The terms of the Northrop Grumman guarantee are set forth in the Finance Subsidiary indentures. (*Article 14*) These terms may be modified for any series of debt securities issued by a Finance Subsidiary in a supplemental indenture applicable to that series of debt securities. Each prospectus supplement relating to a series of debt securities offered by a Finance Subsidiary will describe any material modifications to the terms of the Northrop Grumman guarantee applicable to that series.

Denomination, Form, Payment and Transfer

Normally, we will denominate and make payments on debt securities in U.S. dollars. If we issue debt securities denominated, or with payments, in a foreign or composite currency, a prospectus supplement will specify the currency or composite currency. (*Section 301*)

We may from time to time issue debt securities as registered securities. This means that holders will be entitled to receive certificates representing the debt securities registered in their name. You can transfer or exchange debt securities in registered form without service charge, upon reimbursement of any taxes or government charges. You can make this transfer or exchange at the trustee’s corporate trust office or at any other office we maintain for such purposes. If the debt securities are in registered form, we can pay interest by check mailed to the person in whose name the debt securities are registered on the days specified in the applicable indenture. (*Sections 301 and 305*)

Global Securities

We may issue the debt securities of a particular series in whole or in part in the form of one or more global debt securities that will be issued to and registered in the name of a depository, which we refer to as the depository, or its nominee, 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 a global security is exchanged in whole or in part for individual debt securities, a global security may only be transferred as a whole between the depository (or its successor) and any of its nominees. (*Section 305*)

While the specific terms of the depository arrangement with respect to a series of debt securities will be described in the prospectus supplement relating to that series, we anticipate that the following provisions will generally apply to depository arrangements for global securities.

Upon the issuance of a global security, the depository or its nominee will credit, on its book-entry registration and transfer system, the respective principal amounts of the persons who beneficially own the global security to their accounts with the depository. These accounts will be designated by the dealers, underwriters or agents through whom we sold the debt securities, or by us if we offer and sell the debt securities directly. Ownership of beneficial interests in a global security will be limited to persons that have accounts with the depository, whom we refer to as participants, or persons that may hold interests through participants. Ownership of beneficial interests in a global security will be shown on, and the transfer of that ownership will be effected only through, records maintained by the depository or its nominee (with respect to interests of participants) and the records of participants (with respect to interests of beneficial owners other than participants). The laws of some states require that certain purchasers of

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securities must take physical delivery of debt securities in definitive form. These requirements may impair our ability to sell, and the ability of a purchaser to transfer, beneficial interests in a global security.

So long as the depositary or its nominee is the registered owner of a global security, the depositary or its nominee will be considered the sole owner or “Holder” of the debt represented by the global security for all purposes under the indentures. Except as described below, owners of beneficial interests in a global security will not be entitled to have any of the debt represented by the global security registered in their individual names, will not receive or be entitled to receive physical delivery of any debt securities in definitive form, and will not be considered the owners or “Holders” of the debt securities under the indentures. Accordingly, investors who hold an interest in global debt securities in accounts at banks or brokers will not generally be recognized by us as the legal holders of debt securities.

Payments of principal of and interest, if any, on a global security registered in the name of the depositary or its nominee will be made to the depositary or its nominee, as the registered owner of the global security. Neither we nor the trustee, any paying agent or the security registrar for the debt securities will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests of the global security or for maintaining, supervising or reviewing any records relating to those beneficial ownership interests.

We expect that the depositary or its nominee, immediately upon receipt of any payment of principal or interest in respect of a global security, will credit the accounts of the applicable participants with payments in amounts proportionate to their respective beneficial ownership interests in the principal amount of the global security, as shown on the records of the depositary or its nominee. We further expect that payments by participants to owners of beneficial interests in the global security held through those participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers. These payments will, however, be the sole responsibility of the participants. We have no control over the practices of the depositary or the participants, and there can be no assurance that these practices will not be changed.

If the depositary for a series of debt securities is at any time unwilling, unable or ineligible to continue as depositary and a successor depositary is not appointed by us within 90 days, we will issue individual debt securities of that series in exchange for the global security held by that depositary. In addition, we may at any time and in our sole discretion, subject to any limitations described in the prospectus supplement relating to the debt securities, determine not to have any series of debt securities represented by one or more global securities and, in that event, will issue individual debt securities of that series in exchange for the global security. Further, if an Event of Default with respect to any series represented by a global debt security has occurred and is continuing, the global security may be exchanged for individual debt securities. In that case, each owner of a beneficial interest in a global security will be entitled to a physical delivery of individual debt securities of the series represented by the global security equal in principal amount to that owner’s beneficial interest, and to have those debt securities registered in its name.

Payments

We will pay interest to direct holders listed in the registrar’s records at the close of business on the record date specified in the applicable prospectus supplement, which usually falls about two weeks in advance of each due date for interest, even if the holder on the record date no longer owns the debt security on the interest due date. (*Section 307*) Holders buying and selling securities must make their own arrangements to account for the issuer’s payment of all the interest for an interest period to the person who was the registered holder on the record date.

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If any amount payable on any debt security remains unclaimed at the end of two years after the amount became due and payable, the paying agent or trustee will release that amount to the issuer. (*Section 1003*)

Events of Default

Unless we indicate otherwise in a prospectus supplement, the following are events of default under the indenture with respect to any series of issued debt securities:

- failure by the issuer of the debt securities and, in the case of debt securities issued by a Finance Subsidiary, Northrop Grumman as guarantor, to
 - pay the principal or any premium on any debt security of that series when due;
 - pay interest on any debt security of that series within 30 days of when due;
 - deposit any sinking fund payment on any debt security of that series when due; or
 - perform any other covenant in the applicable indenture applicable to that series and the issuer or guarantor, if applicable, that continues for 90 days after the issuer or guarantor, as applicable, has been given written notice of the failure by the trustee or the holders of at least 10% in aggregate principal amount of the outstanding debt securities of that series; or
- the occurrence of specified bankruptcy, insolvency or reorganization events in respect of the issuer of the debt securities or, if applicable, Northrop Grumman as guarantor;

and the following is an additional event of default under the Finance Subsidiary indentures with respect to any series of debt securities issued by either Finance Subsidiary:

- the Northrop Grumman guarantee of that series ceases to be effective. (*Section 501*)

An event of default for one series of debt securities does not necessarily constitute an event of default for any other series under the same or another indenture. The trustee may withhold notice to the debt securities holders of any default, except a payment default, if it considers such action to be in the holders' interests.

If the specified bankruptcy, insolvency or reorganization events occur, the entire principal of all the debt securities of that series will be due and payable immediately. If any other event of default occurs and continues, the trustee, or the holders of at least 25% in aggregate principal amount of the outstanding debt securities of the series, may declare the entire principal of all the debt securities of that series to be due and payable immediately. If this happens, and the issuer cures the event of default in the manner specified in the applicable indenture, the holders of a majority of the aggregate outstanding principal amount of the debt securities of that series can void the acceleration of payment. (*Section 502*)

The indentures provide that the trustee has no obligation to exercise any of its rights at the direction of any holders, unless the holders offer the trustee reasonable indemnity. If they provide this indemnification, the holders of a majority in principal amount of any series of debt securities have the right to direct any proceeding, remedy, or power available to the trustee with respect to that series. (*Section 603*)

Conversion Rights

We will describe the terms upon which debt securities may be convertible into the common stock of in a prospectus supplement. These terms will include provisions as to whether conversion is mandatory or optional. They may also include provisions adjusting the number of shares of the common stock of Northrop Grumman into which the debt securities are convertible.

Obligations Under the Indentures

Under the indentures, Northrop Grumman, as the issuer or the guarantor, as applicable, will agree to the following:

Limitations on Liens. The indentures restrict Northrop Grumman's ability to encumber specified types of its assets or those of its restricted subsidiaries. If Northrop Grumman, or any restricted subsidiary, pledges or mortgages any principal property, or any stock or indebtedness of any restricted subsidiary, to secure any debt or guarantee of debt, then for as long as the debt or guarantee is secured by the property, Northrop Grumman or the restricted subsidiary will be obligated to pledge or mortgage the same property to the trustee to secure the debt securities, unless an exception applies. Restricted subsidiary means any direct or indirect subsidiary of Northrop Grumman that has substantially all of its assets located in the United States and carries on substantially all of its business in the United States, or that holds substantially all of its assets in the form of ownership of other restricted subsidiaries. Principal property means any manufacturing plant or facility located in the continental United States which is owned by Northrop Grumman or any restricted subsidiary, unless the board of directors of Northrop Grumman determines the plant or facility is not of material importance to the total business of Northrop Grumman and its restricted subsidiaries.

This limitation is subject to exceptions. We may encumber those assets if the encumbrance is a permitted lien, without regard to the amount of debt secured by the encumbrance. We may also encumber those assets if the amount of all debt of Northrop Grumman and its restricted subsidiaries secured by encumbrances, other than the permitted liens, does not exceed the greater of \$1,000,000,000 or 10% of our consolidated net tangible assets. Consolidated net tangible assets means our total assets, including the assets of our subsidiaries, as reflected in our most recent balance sheet, less current liabilities (other than the current portion of debt and capital leases), goodwill, patents and trademarks. Permitted liens include:

- liens on a corporation's property, stock or debt at the time it becomes a restricted subsidiary;
- liens on property at the time we or a restricted subsidiary acquires the property;
- liens securing debt owing by a restricted subsidiary to Northrop Grumman or another restricted subsidiary;
- liens existing at the time the applicable indenture became effective;
- liens on property of an entity at the time it is merged into or consolidated with Northrop Grumman or a restricted subsidiary or at the time Northrop Grumman or any restricted subsidiary acquires all or substantially all of the assets of the entity;
- liens in favor of any governmental customer to secure payments or performance pursuant to any contract or statute, or to secure indebtedness we incur with respect to the

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acquisition or construction of the property subject to the liens, any related indebtedness, or debt guaranteed by a government or governmental authority; and

- any renewal, extension or replacement for any lien permitted by one of the exceptions described above. (*Section 1009*)

Limitations on Sale Leaseback Arrangements. The indentures also restrict the ability of Northrop Grumman or any restricted subsidiary to enter into sale-leaseback transactions. A sale-leaseback transaction is permitted if Northrop Grumman or the restricted subsidiary would be permitted to incur indebtedness secured by the principal property at least equal in amount to the attributable debt with respect to the transaction, or the greater of the net proceeds of the sale or the attributable debt for the transaction is used to prepay long-term debt of Northrop Grumman or any restricted subsidiary (other than debt owed to Northrop Grumman or another restricted subsidiary). Sale-leaseback transaction means, subject to some exceptions, an arrangement pursuant to which Northrop Grumman, or a restricted subsidiary, transfers a principal property to a person and contemporaneously leases it back from that person. Attributable debt for a sale and leaseback transaction means the lesser of the fair value of the property, as determined by the Northrop Grumman board of directors, or the present value of the obligation of the lessee for net rental payments during the remaining term of the lease. (*Section 1010*)

The applicable indenture will not otherwise limit our ability to incur additional debt, except as otherwise described in a prospectus supplement.

Consolidation, Merger or Sale

Under the indentures, neither Northrop Grumman nor, in the case of indentures of the Finance Subsidiaries, the applicable Finance Subsidiary, may consolidate with or merge into another entity, transfer all or substantially all of its assets to another entity, permit any entity to consolidate with or merge into it, or acquire all or substantially all of the assets of another entity, unless:

- the successor entity assumes all of Northrop Grumman's or the Finance Subsidiary's obligations, as applicable, under the outstanding debt securities and the applicable indenture;
- immediately following the transaction, no event of default and no circumstances which, after notice or lapse of time or both, would become an event of default, continue to exist; and
- an officers' certificate and a legal opinion have been delivered to the trustee confirming that the transaction is being effected in compliance with the applicable indenture. (*Sections 801 and 1409*)

Defeasance and Covenant Defeasance

Any series of issued debt securities may be subject to the defeasance and discharge provisions of the applicable indenture. Under those provisions, the debt securities of any series may authorize the issuer to elect:

- to defease and to discharge the issuer and, if applicable, the guarantor, from any and all obligations of the issuer and, if applicable, the guarantor, with respect to those debt securities and, if applicable, the related guarantee, except for the rights of holders of those debt securities to receive payments on the securities solely from the trust fund

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established pursuant to the applicable indenture and the obligations to exchange or register the transfer of the securities, to replace temporary or mutilated, destroyed, lost or stolen securities, to maintain an office or agency with respect to the securities and to hold moneys for payment in trust, which we refer to as a defeasance; or

- to be released from the obligations of the issuer and, if applicable, the guarantor, with respect to those debt securities to comply with the restrictive covenants which are subject to covenant defeasance, and the occurrence of certain events of default with respect to those restrictive covenants shall no longer be an event default, which we refer to as a covenant defeasance. (*Sections 1302 and 1303*)

To invoke defeasance or covenant defeasance with respect to any series of debt securities, we must irrevocably deposit with a trustee, in trust, money or U.S. Government obligations, or both, which will provide money in an amount sufficient to pay all sums due on that series. (*Section 1304*)

As a condition to defeasance or covenant defeasance, we must deliver to the applicable indenture trustee an opinion of counsel stating that holders of the applicable debt securities will not recognize gain or loss for federal income tax purposes as a result of the defeasance or covenant defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if we did not elect the defeasance or covenant defeasance. We may exercise our defeasance option with respect to the securities notwithstanding our prior exercise of our covenant defeasance option. If we exercise our defeasance option, payment of the securities may not be accelerated by the reference to restrictive covenants which are subject to covenant defeasance. If we do not comply with our remaining obligations after exercising our covenant defeasance option and the securities are declared due and payable because of the occurrence of any event of default, the amount of money and U.S. Government obligations on deposit in the defeasance trust may be insufficient to pay amounts due on the securities at the time of the acceleration. However, we will remain liable for those payments. (*Sections 1302, 1303 and 1304*)

Changes to the Indentures

Holders who own more than a majority in principal amount of the outstanding debt securities of a series can agree with us to change the provisions of the applicable indenture relating to that series. However, no change can affect the payment terms or the percentage required to change certain other terms without the consent of all holders of debt securities of the affected series. (*Section 902*)

The issuer and trustee under any indenture may enter into supplemental indentures for other specified purposes and to make changes that would not materially adversely affect the interests of the holders of debt securities issued under that indenture, including the creation of any new series of debt securities, without the consent of any holder of those debt securities. (*Section 901*)

Governing Law

New York law will govern the indentures, the debt securities and the guarantee. (*Section 112*)

Trustee

The Bank of New York Mellon, as successor-in-interest of JPMorgan Chase Bank, serves as the trustee under Northrop Grumman's existing senior debt securities indenture, and we expect it will serve as trustee under the indentures to be entered into by the Finance Subsidiaries. If we use a different trustee for any series of debt securities, we will inform you in a prospectus supplement. In the ordinary course of

its business, The Bank of New York Mellon and its affiliates have engaged and may in the future engage in commercial and investment banking transactions with us.

DESCRIPTION OF COMMON STOCK

Northrop Grumman has the authority to issue 800,000,000 shares of its common stock, par value \$1.00 per share. As of July 25, 2008, 337,531,256 shares of common stock were outstanding. The number of shares of common stock outstanding does not include shares issuable upon exercise of outstanding awards under our stock compensation plans. The common stock is listed on the New York Stock Exchange under the symbol “NOC”.

Dividends. Dividends may be paid on the common stock and on any class or series of stock entitled to participate with the common stock as to dividends, but only when and as declared by our board of directors and only if full dividends on all then outstanding series of our preferred stock for the then current and prior dividend periods have been paid or provided for.

Voting Rights. Each holder of our common stock is entitled to one vote per share on all matters submitted to a vote of stockholders and does not have cumulative voting rights for the election of directors.

Liquidation. If we liquidate, holders of common stock are entitled to receive all remaining assets available for distribution to stockholders after satisfaction of our liabilities and the preferential rights of any preferred stock that may be outstanding at that time.

Other Rights. Our outstanding common shares are fully paid and nonassessable. The holders of our common stock do not have any preemptive, conversion or redemption rights.

Registrar and Transfer Agent. The registrar and transfer agent for our common stock is Computershare Investor Services.

Some Important Charter and Statutory Provisions. We are subject to the provisions of Section 203 of the Delaware General Corporation Law. In general, the statute prohibits a Delaware corporation which has a class of stock which is listed on a national stock exchange or which has 2,000 or more stockholders of record from engaging in a business combination with an interested stockholder (generally, the beneficial owner of 15% or more of the corporation’s outstanding voting stock) for three years following the time the stockholder became an interested stockholder, unless, prior to that time, the corporation’s board of directors approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder, or if at least two-thirds of the outstanding shares not owned by that interested stockholder approve the business combination, or if, upon becoming an interested stockholder, that stockholder owned at least 85% of the outstanding shares, excluding those held by officers, directors and some employee stock plans. A “business combination” includes a merger, asset sale, or other transaction resulting in a financial benefit, other than proportionately as a stockholder, to the interested stockholder.

DESCRIPTION OF NORTHROP GRUMMAN GUARANTEES OF SENIOR DEBT SECURITIES

Northrop Grumman will fully and unconditionally guarantee, on an unsecured senior basis, the full and punctual payment by the applicable Finance Subsidiary when due of all monetary obligations, including principal, interest, any premium and the payment of any sinking fund obligation, of that Finance Subsidiary under the debt securities offered by that Finance Subsidiary. The Northrop Grumman guarantee is included in each of the indentures of the Finance Subsidiaries.

The prospectus supplement relating to a particular series of senior debt securities issued by a Finance Subsidiary will describe any material differences to the terms of the Northrop Grumman guarantee described above under the heading “Description of Senior Debt Securities — Northrop Grumman Guarantee.”

PLAN OF DISTRIBUTION

We may sell the securities in one or more of the following ways from time to time:

- to or through underwriters or dealers;
- directly to one or more purchasers;
- through agents; or
- through a combination of any of these methods of sale.

We may effect the distribution of the securities from time to time in one or more transactions either:

- at a fixed price or prices which may be changed;
- at market prices prevailing at the time of sale;
- at prices relating to such prevailing market prices; or
- at negotiated prices.

The prospectus supplements relating to an offering of offered securities will set forth the terms of such offering, including:

- the name or names of any underwriters, dealers or agents;
- the purchase price of the offered securities and the proceeds we will receive from the sale;
- any underwriting discounts and commissions or agency fees and other items constituting underwriters’ or agents’ compensation; and

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- any initial public offering price, any discounts or concessions allowed or reallocated or paid to dealers and any securities exchanges on which such offered securities may be listed.

Any initial public offering prices, discounts or concessions allowed or reallocated or paid to dealers may be changed from time to time.

If underwriters are used in the sale, the underwriters will acquire the offered securities for their own account and may resell them from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The offered securities may be offered either to the public through underwriting syndicates represented by one or more managing underwriters or by one or more underwriters without a syndicate. Unless otherwise set forth in a prospectus supplement, the obligations of the underwriters to purchase any series of securities will be subject to certain conditions precedent, and the underwriters will be obligated to purchase all of such series of securities, if any are purchased.

In connection with underwritten offerings of the offered securities and in accordance with applicable law and industry practice, underwriters may over-allot or effect transactions that stabilize, maintain or otherwise affect the market price of the offered securities at levels above those that might otherwise prevail in the open market, including by entering stabilizing bids, effecting syndicate covering transactions or imposing penalty bids, each of which is described below.

- A stabilizing bid means the placing of any bid, or the effecting of any purchase, for the purpose of pegging, fixing or maintaining the price of a security.
- A syndicate covering transaction means the placing of any bid on behalf of the underwriting syndicate or the effecting of any purchase to reduce a short position created in connection with the offering.
- A penalty bid means an arrangement that permits the managing underwriter to reclaim a selling concession from a syndicate member in connection with the offering when offered securities originally sold by the syndicate member are purchased in syndicate covering transactions.

These transactions may be effected on the NYSE, in the over-the-counter market, or otherwise. Underwriters are not required to engage in any of these activities, or to continue such activities if commenced.

If a dealer is used in the sale, we will sell such offered securities to the dealer, as principal. The dealer may then resell the offered securities to the public at varying prices to be determined by that dealer at the time for resale. The names of the dealers and the terms of the transaction will be set forth in the prospectus supplement relating to that transaction.

Offered securities may be sold directly by us to one or more institutional purchasers, or through agents designated by us from time to time, at a fixed price or prices, which may be changed, or at varying prices determined at the time of sale. Any agent involved in the offer or sale of the offered securities in respect of which this prospectus is delivered will be named, and any commissions payable by us to such agent will be set forth, in the prospectus supplement relating to that offering. Unless otherwise indicated in such prospectus supplement, any such agent will be acting on a best efforts basis for the period of its appointment.

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Underwriters, dealers and agents may be entitled under agreements entered into with us to indemnification by us against certain civil liabilities, including liabilities under the Securities Act, or to contribution with respect to payments that the underwriters, dealers or agents may be required to make in respect thereof. Underwriters, dealers and agents may be customers of, engage in transactions with, or perform services for us and our affiliates in the ordinary course of business.

Each of the debt securities issued hereunder will be a new issue of securities, will have no prior trading market, and may or may not be listed on a national securities exchange. Any underwriters to whom we sell debt securities for public offering and sale may make a market in the securities, but such underwriters will not be obligated to do so and may discontinue any market making at any time without notice. We cannot assure you that there will be a market for the offered securities.

VALIDITY OF THE DEBT AND EQUITY SECURITIES

Except as set forth in the applicable prospectus supplement, Sheppard, Mullin, Richter & Hampton LLP, San Diego, California, will issue an opinion about the validity of the senior debt securities and common stock and Northrop Grumman's guarantee of senior debt securities for us. Underwriters, dealers or agents, who we will identify in a prospectus supplement may have their counsel opine about certain legal matters relating to the securities.

EXPERTS

The consolidated financial statements and the related financial statement schedule, incorporated in this prospectus by reference from the Company's Current Report on Form 8-K dated July 29, 2008 and the effectiveness of the Company's internal control over financial reporting have been audited by Deloitte & Touche LLP, an independent registered public accounting firm as stated in their reports, which are incorporated herein by reference (which reports (1) express an unqualified opinion on the financial statements and financial statement schedule, with an explanatory paragraph referring to Northrop Grumman's adoption of new accounting standards, and (2) express an unqualified opinion on the effectiveness of internal control over financial reporting). Such financial statements and financial statement schedule have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

With respect to the unaudited interim financial information for the periods ended March 31, 2008 and 2007 and June 30, 2008 and 2007 which is incorporated herein by reference, Deloitte & Touche LLP, an independent registered public accounting firm, has applied limited procedures in accordance with the standards of the Public Company Accounting Oversight Board (United States) for a review of such information. However, as stated in their reports included in the Company's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2008 and June 30, 2008 and incorporated by reference herein, they did not audit and they do not express an opinion on that interim financial information. Accordingly, the degree of reliance on their reports on such information should be restricted in light of the limited nature of the review procedures applied. Deloitte & Touche LLP is not subject to the liability provisions of Section 11 of the Securities Act of 1933 for its reports on the unaudited interim financial information because those reports are not "reports" or a "part" of the Registration Statement prepared or certified by an accountant within the meaning of Sections 7 and 11 of the Act.

PART II**INFORMATION NOT REQUIRED IN PROSPECTUS****Item 14. Other Expenses of Issuance and Distribution.**

The following table sets forth the estimated fees and expenses, other than underwriting discounts and commissions, expected to be incurred in connection with the offering or offerings described in this registration statement.

Securities and Exchange Commission registration fee	\$ (1)
Listing fees and expenses	(2)
Trustee fees and expenses	(2)
Legal fees and expenses	(2)
Accounting fees and expenses	(2)
Printing and engraving fees and expenses	(2)
Rating agency fees	(2)
Blue Sky fees and expenses (including legal fees)	(2)
Miscellaneous	(2)
Total	<u>\$ (2)</u>

- (1) To be deferred pursuant to Rule 456(b) under the Securities Act and calculated in connection with the offering of securities under this registration statement pursuant to Rule 457(r) under the Securities Act, except for the registration fees applied in accordance with Rule 457(p) under the Securities Act.
- (2) Estimated expenses are not presently known. An estimate of the aggregate expenses in connection with the sale and distribution of the securities being offered will be included in the applicable prospectus supplement.

Item 15. Indemnification of Directors and Officers.

Section 145 of the Delaware General Corporation Law (“DGCL”) permits a corporation to indemnify its directors and officers against expenses, including attorneys’ fees, judgments, fines and amounts paid in settlements actually and reasonably incurred by them in connection with any action, suit or proceeding brought by third parties. The directors or officers must have acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reason to believe their conduct was unlawful. In a derivative action, an action only by or in the right of the corporation, indemnification may be made only for expenses actually and reasonably incurred by directors and officers in connection with the defense or settlement of an action or suit, and only with respect to a matter as to which they shall have acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation. No indemnification shall be made if such person shall have been adjudged liable to the corporation, unless and only to the extent that the court in which the action or suit was brought shall determine upon application that the defendant officers or directors are fairly and reasonably entitled to indemnity for such expenses despite such adjudication of liability.

As permitted by Section 145 of the DGCL, Article FIFTEENTH of Northrop Grumman’s restated certificate of incorporation, as amended, provides:

“A director of the Corporation shall not be personally liable to the Corporation or to its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director’s duty of loyalty to the Corporation or to its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the General Corporation Law of the State of Delaware, or (iv) for any transaction

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from which the director derives any improper personal benefit. If, after approval of this Article by the stockholders of the Corporation, the General Corporation Law of the State of Delaware is amended to authorize the further elimination or limitation of the liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law of the State of Delaware, as so amended.”

Article V of Northrop Grumman’s Bylaws provide that the company will indemnify any person who was or is a party or is threatened to be made a party to any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a director, officer, employee, or agent of the company, or was serving at the request of an executive officer of the company 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 in effect from time to time, or by other applicable law as then in effect, against all expense, liability, and loss (including attorneys’ fees, judgments, fines, ERISA excise taxes or penalties, and amounts paid in settlement) actually and reasonably incurred or suffered by that person in connection therewith. Officers and directors additionally have the right to be advanced their expenses incurred in defending or preparing for such a proceeding in advance of its final disposition, subject to an acceptable undertaking by the officer or director to repay all amounts so advanced if it is ultimately determined that he or she is not entitled to be indemnified for those expenses, and provided that the board does not determine that the payment would violate any applicable law. Northrop Grumman is not obligated to make such advances in connection with a proceeding instituted by it against the officer or director. The Bylaws further state that the indemnification provided therein is not exclusive of any other rights to which the indemnified person may be entitled and that no amendment to or repeal of the Bylaws would abrogate rights with respect to acts or omissions which already occurred.

Section 108 of the Delaware Limited Liability Company Act (“DLLCA”) permits a limited liability company to indemnify and hold harmless any member or manager or other person from and against any and all claims and demands whatsoever. As permitted by that section, the limited liability company agreement of each Finance Subsidiary contains provisions substantially similar to Article V of Northrop Grumman’s Bylaws.

Northrop Grumman has entered into an agreement with each of its directors and certain of its officers indemnifying them to the fullest extent permitted by the foregoing.

Northrop Grumman has also purchased director and officer liability insurance applicable to the directors or managers, as applicable, and officers of each registrant.

The foregoing represents a summary of the general effect of the DGCL, the DLLCA, Northrop Grumman’s By-Laws, as amended, Northrop Grumman’s Restated Certificate of Incorporation, the limited liability company agreements of the Finance Subsidiaries, Northrop Grumman’s directors and officers liability insurance coverage and the indemnification agreements for purposes of general description only.

The registrants may also enter into indemnification agreements with underwriters providing that underwriters have to indemnify and hold harmless the registrants, each of their respective directors or managers, as applicable, each officer who signed the registration statement and any person who controls the registrants within the meaning of the Securities Act, from and against certain civil liabilities, including liabilities under the Securities Act.

Item 16. Exhibits

A list of exhibits filed herewith is contained in the index to exhibits that immediately precedes such exhibits and is incorporated herein by reference.

Item 17. Undertakings.

The undersigned registrants hereby undertake:

(a) 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) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

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

provided, however, that paragraphs (i), (ii) and (iii) above do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by a 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, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

(b) 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.

(c) 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.

(d) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser:

(i) Each prospectus filed by a registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

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(ii) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5) or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii) or (x) for the purpose of providing the information required by Section 10(a) of the Securities Act of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which the prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date.

(e) That, for the purpose of determining liability of a registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities, that in a primary offering of securities of one or more registrants pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, those registrants will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of a registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of a registrant or used or referred to by a registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about an undersigned registrant or its securities provided by or on behalf of an undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by an undersigned registrant to the purchaser

(f) That, for purposes of determining any liability under the Securities Act of 1933, each filing of a registrant's annual report pursuant to Section 13(a) or 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.

(g) 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 in accordance with the rules and regulations prescribed by the Commission under Section 305(b)(2) of the Trust Indenture Act.

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(h) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrants pursuant to the foregoing provisions, or otherwise, the registrants have been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by a registrant of expenses incurred or paid by a director, officer or controlling person of a 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, that a registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the undersigned registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Los Angeles, State of California, on this 29th day of July, 2008.

NORTHROP GRUMMAN CORPORATION

By: /s/ Stephen D. Yslas
Stephen D. Yslas
Corporate Vice President, Secretary and Deputy
General Counsel

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

Signature	Title	Date
<u>/s/ Ronald D. Sugar</u> Ronald D. Sugar	Chairman of the Board, Chief Executive Officer and Director (Principal Executive Officer)	July 29, 2008
<u>/s/ James F. Palmer</u> James F. Palmer	Corporate Vice President and Chief Financial Officer (Principal Financial Officer)	July 29, 2008
<u>/s/ Kenneth N. Heintz</u> Kenneth N. Heintz	Corporate Vice President, Controller, and Chief Accounting Officer (Principal Accounting Officer)	July 29, 2008

Directors

Lewis W. Coleman
Thomas B. Fargo
Victor H. Fazio
Donald E. Felsing
Stephen E. Frank
Phillip Frost
Charles R. Larson
Richard B. Myers
Aulana L. Peters
Kevin W. Sharer

By: /s/ Stephen D. Yslas
Stephen D. Yslas
Attorney-in-Fact

July 29, 2008

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the undersigned registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Los Angeles, State of California, on this 29th day of July, 2008.

NORTHROP GRUMMAN S&MS FINANCE, LLC

By: /s/ Mark Rabinowitz

Mark Rabinowitz
President and Treasurer

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

Signature	Title	Date
<u>/s/ Mark Rabinowitz</u> Mark Rabinowitz	Manager, President and Treasurer (Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer)	July 29, 2008
<u>/s/ Gary W. McKenzie</u> Gary W. McKenzie	Manager	July 29, 2008
<u>/s/ Kathleen M. Salmas</u> Kathleen M. Salmas	Manager	July 29, 2008

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the undersigned registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Los Angeles, State of California, on this 29th day of July, 2008.

NORTHROP GRUMMAN SYSTEMS FINANCE, LLC

By: /s/ Mark Rabinowitz

Mark Rabinowitz
President and Treasurer

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

Signature	Title	Date
<u> /s/ Mark Rabinowitz </u> Mark Rabinowitz	Manager, President and Treasurer (Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer)	July 29, 2008
<u> /s/ Gary W. McKenzie </u> Gary W. McKenzie	Manager	July 29, 2008
<u> /s/ Kathleen M. Salmas </u> Kathleen M. Salmas	Manager	July 29, 2008

EXHIBIT INDEX

The following documents are filed as exhibits to this registration statement:

Exhibit No.	Description	Filed Herewith	Incorporated by Reference	Form	Date Filed with SEC	Exhibit No.
1(a)	Form of Underwriting Agreement – Senior Debt Securities		†			
1(b)	Form of Underwriting Agreement – Common Stock		†			
4(a)	Restated Certificate of Incorporation of Northrop Grumman Corporation effective May 18, 2006		×	8-K	May 19, 2006	3.1
4(b)	Bylaws of Northrop Grumman Corporation, as amended May 21, 2008		×	8-K	May 27, 2008	3.2
4(c)	Indenture dated as of November 21, 2001, between Northrop Grumman Corporation and The Bank of New York Mellon (successor in interest to JPMorgan Chase Bank), as trustee, relating to Senior Debt Securities		×	8-K	Nov. 21, 2001	4.1
4(d)	Form of Senior Debt Security of Northrop Grumman Corporation		×(1)	8-K	Nov. 21, 2001	4.1
4(e)	Form of Indenture for Senior Debt Securities of Northrop Grumman S&MS Finance, LLC	×				
4(f)	Form of Senior Debt Security of Northrop Grumman S&MS Finance, LLC and Guarantee of Senior Debt Securities of Northrop Grumman S&MS Finance, LLC	×(2)				
4(g)	Form of Indenture for Senior Debt Securities of Northrop Grumman Systems Finance, LLC	×				
4(h)	Form of Senior Debt Security of Northrop Grumman Systems Finance, LLC and Guarantee of Senior Debt Securities of Northrop Grumman Systems Finance, LLC	×(3)				
5(a)	Opinion of Sheppard, Mullin, Richter & Hampton LLP	×				
12(a)	Computation of Ratio of Earnings to Fixed Charges	×				
15(a)	Letter from Deloitte & Touche LLP, an independent registered public accounting firm	×				
23(a)	Consent of Deloitte & Touche LLP, an independent registered public accounting firm	×				
23(b)	Consent of Sheppard, Mullin, Richter & Hampton LLP	×(4)				
24(a)	Power of Attorney – Northrop Grumman Corporation Directors	×				
25(a)	Statement of Eligibility on Form T-1 of The Bank of New York Mellon to act as trustee under the Northrop Grumman Corporation Indenture	×				
25(b)	Statement of Eligibility on Form T-1 of The Bank of New York Mellon to act as trustee under the Northrop Grumman S&MS Finance, LLC Indenture	×				
25(c)	Statement of Eligibility on Form T-1 of The Bank of New York Mellon to act as trustee under the Northrop Grumman Systems Finance, LLC Indenture	×				
99(a)	Certificate of Formation of Northrop Grumman S&MS Finance, LLC	×				
99(b)	Limited Liability Company Agreement of Northrop Grumman S&MS Finance, LLC	×				
99(c)	Certificate of Formation of Northrop Grumman Systems Finance, LLC	×				
99(d)	Limited Liability Company Agreement of Northrop Grumman Systems Finance, LLC	×				

† To be filed by amendment hereto or on a current report on Form 8-K to be incorporated herein by reference.

(1) Included in Exhibit 4(c) on pages 12-19.

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- (2) Included in Exhibit 4(e) on pages 12-20 (Sections 202, 203 and 206).
- (3) Included in Exhibit 4(g) on pages 12-20 (Sections 202, 203 and 206).
- (4) Included in Exhibit 5(a)

NORTHROP GRUMMAN S&MS FINANCE, LLC, ISSUER
NORTHROP GRUMMAN CORPORATION, GUARANTOR
TO
THE BANK OF NEW YORK MELLON, TRUSTEE

INDENTURE

Dated as of _____, ____

SENIOR DEBT SECURITIES

NORTHROP GRUMMAN S&MS FINANCE, LLC
and
NORTHROP GRUMMAN CORPORATION

Reconciliation and tie between Trust Indenture Act of 1939
and this Indenture

Section of Trust Indenture <u>Act of 1939</u>		Section(s) of <u>Indenture</u>
§ 310	(a)(1)	609
	(a)(2)	609
	(a)(3)	Not Applicable
	(a)(4)	Not Applicable
	(a)(5)	609
	(b)	608, 610
	(c)	Not Applicable
§311	(a)	613
	(b)	613
	(c)	Not Applicable
§ 312	(a)	701, 702
	(b)	702
	(c)	702
§313	(a)	703
	(b)	703
	(c)	703
	(d)	703
§ 314	(a)	704, 1004
	(b)	Not Applicable
	(c)(1)	102
	(c)(2)	102
	(c)(3)	Not Applicable
	(d)	Not Applicable
	(e)	102
	(f)	102, 704, 1004
§315	(a)	601
	(b)	602
	(c)	601
	(d)	601
	(e)	514
§ 316	(a)(1)(A)	512
	(a)(1)(B)	513
	(a)(2)	Not Applicable
	(a)(last sentence)	101
	(b)	508
	(c)	104
§317	(a)(1)	503
	(a)(2)	504
	(b)	1003
§318	(a)	107

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

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INDENTURE dated as of _____, _____ among NORTHROP GRUMMAN S&MS FINANCE, LLC, a limited liability company duly organized and existing under the laws of the State of Delaware (herein called the "Company"), having its principal office at 1840 Century Park East, Los Angeles, California 90067, NORTHROP GRUMMAN CORPORATION, a corporation duly organized and existing under the laws of the State of Delaware (herein called the "Guarantor"), having its principal office at 1840 Century Park East, Los Angeles, California 90067, and THE BANK OF NEW YORK MELLON, a corporation duly organized and existing under the laws of the State of New York, as Trustee (herein called the "Trustee"), having its Corporate Trust Office at 101 Barclay Street, New York, NY 10286.

RECITALS OF THE COMPANY

The Company has duly authorized the execution and delivery of this Indenture to provide for the issuance from time to time of its unsecured debentures, notes or other evidences of indebtedness (herein called the "Securities"), to be issued in one or more series as this Indenture provides.

The Guarantor has duly authorized the execution and delivery of this Indenture to provide for the Guarantee (as defined herein) of the Securities to be issued by the Company under this Indenture.

All things necessary to make this Indenture a valid agreement of the Company and the Guarantor, in accordance with its terms, have been done.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

For and in consideration of the promises and the purchase of the Securities by the Holders thereof, it is mutually agreed, for the equal and proportionate benefit of all Holders of the Securities or of series thereof, as follows:

ARTICLE 1 DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

101. Definition. For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

- (1) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;
- (2) all other terms used herein which are defined in the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them therein;
- (3) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles, and, except as otherwise herein expressly provided, the term "generally accepted accounting principles" with respect to any computation required or permitted hereunder shall mean such accounting principles as are generally accepted at the date hereof;

- (4) unless the context otherwise requires, any reference to an “Article” or a “Section” or “Clause” refers to an Article or a Section or Clause, as the case may be, of this Indenture; and
- (5) the words “herein,” “hereof,” and “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

“Act,” when used with respect to any Holder, has the meaning specified in Section 104.

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

“Attributable Debt” has the meaning specified in Section 1010.

“Authenticating Agent” means any Person authorized by the Trustee pursuant to Section 614 to act on behalf of the Trustee to authenticate Securities of one or more series.

“Board of Directors” or “Board” means either the board of managers of the Company or the board of directors of the Guarantor, as the case may be, or any duly authorized committee of that board.

“Board Resolution” means (i) a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company or the Guarantor, as the case may be, to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, or (ii) a certificate signed by the authorized officer or officers of the Company or Guarantor to whom the Board of Directors of the Company or the Guarantor, as the case may be, has delegated its authority, and in each case, delivered to the Trustee.

“Business Day,” when used with respect to any Place of Payment, means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in that Place of Payment are authorized or obligated by law or executive order to close.

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

“Company” means the Person named as the “Company” in the first paragraph of this instrument until a successor Person shall have become such pursuant to the applicable

provisions of this Indenture, and thereafter “Company” shall mean such successor Person.

“Company Request” or “Company Order” means a written request or order signed in the name of the Company by its Chairman of the Board, its Vice Chairman of the Board, its President or a Vice President, and by its Treasurer, an Assistant Treasurer, its Secretary or an Assistant Secretary, and delivered to the Trustee.

“Consolidated Net Tangible Assets” means, as of any particular time, the aggregate amount of assets (less applicable reserves and properly deductible items) after deducting therefrom (a) all current liabilities except for (i) notes and loans payable, (ii) current maturities of long-term debt, (iii) current maturities of obligations under capital leases, and (iv) deferred income taxes and (b) all goodwill, tradenames, trademarks, patents, unamortized debt discount and expenses (to the extent included in said aggregate amount of assets) and other like intangibles, all as set forth on the most recent quarterly or annual consolidated balance sheet of the Guarantor and its consolidated Subsidiaries and computed in accordance with generally accepted accounting principles.

“Corporate Trust Office” means the office of the Trustee or agent of the Trustee, at which at any particular time the corporate trust business of the Trustee or such agent shall be principally administered, which office at the date hereof is located at 101 Barclay Street, New York, NY 10286.

“corporation” means a corporation, association, company, joint-stock company or business trust.

“Covenant Defeasance” has the meaning specified in Section 1303.

“Debt,” for purposes of Sections 1009 and 1010, shall have the meaning ascribed that term in Section 1009.

“Defaulted Interest” has the meaning specified in Section 307.

“Defeasance” has the meaning specified in Section 1302.

“Depositary” means, with respect to Securities of any series issuable in whole or in part in the form of one or more Global Securities, a clearing agency registered under the Exchange Act that is designated to act as Depositary for such Securities as contemplated by Section 301.

“Event of Default” has the meaning specified in Section 501.

“Exchange Act” means the Securities Exchange Act of 1934 and any statute successor thereto, in each case as amended from time to time.

“Expiration Date” has the meaning specified in Section 104.

“Foreign Government Obligation” has the meaning specified in Section 1304.

“Guarantee” means the guarantee of the Company’s obligations under the Securities of any applicable series by the Guarantor under this Indenture.

“Guaranteed Obligations” has the meaning specified in Section 1401.

“Guarantor” means the Person named as the “Guarantor” in the first paragraph of this Indenture until a successor Person shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Guarantor” shall mean such successor Person.

“Global Security” means a Security that evidences all or part of the Securities of any series and bears the legend set forth in Section 204 (or such legend as may be specified as contemplated by Section 301 for such Securities).

“Holder” means a Person in whose name a Security is registered in the Security Register.

“Indenture” means this instrument as originally executed and as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof, including, for all purposes of this instrument and any such supplemental indenture, the provisions of the Trust Indenture Act that are deemed to be a part of and govern this instrument and any such supplemental indenture, respectively. The term “Indenture” shall also include the terms of particular series of Securities established as contemplated by Section 301.

“interest,” when used with respect to an Original Issue Discount Security which by its terms bears interest only after Maturity, means interest payable after Maturity.

“Interest Payment Date,” when used with respect to any Security, means the Stated Maturity of an installment of interest on such Security.

“Investment Company Act” means the Investment Company Act of 1940 and any statute successor thereto, in each case as amended from time to time.

“Maturity,” when used with respect to any Security, means the date on which the principal of such Security or an installment of principal becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration, call for redemption or otherwise.

“Mortgage” has the meaning ascribed that term in Section 1009.

“Notice of Default” means a written notice of the kind specified in Section 501(4).

“Officers’ Certificate” means a certificate signed by the Chairman of the Board, a Vice Chairman of the Board, the President or a Vice President, and by the Treasurer, an Assistant Treasurer, the Secretary or an Assistant Secretary, of the Company or the Guarantor, as the case may be, and delivered to the Trustee.

“Opinion of Counsel” means a written opinion of counsel, who may be counsel for the Company or Guarantor, and who shall be acceptable to the Trustee.

“Original Issue Discount Security” means any Security which provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 502.

“Outstanding,” when used with respect to Securities, means, as of the date of determination, all Securities theretofore authenticated and delivered under this Indenture, except:

- (1) Securities theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;
- (2) Securities for whose payment or redemption money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent (other than the Company or Guarantor) in trust or set aside and segregated in trust by the Company or the Guarantor (if the Company or the Guarantor shall act as Paying Agent) for the Holders of such Securities; provided that, if such Securities are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made;
- (3) Securities as to which Defeasance has been effected pursuant to Section 1302; and
- (4) Securities which have been paid pursuant to Section 306 or in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to this Indenture, other than any such Securities in respect of which there shall have been presented to the Trustee proof satisfactory to it that such Securities are held by a bona fide purchaser in whose hands such Securities are valid obligations of the Company;

provided, however, that in determining whether the Holders of the requisite principal amount of the Outstanding Securities have given, made or taken any request, demand, authorization, direction, notice, consent, waiver or other action hereunder as of any date, (A) the principal amount of an Original Issue Discount Security which shall be deemed to be Outstanding shall be the amount of the principal thereof which would be due and payable as of such date upon acceleration of the Maturity thereof to such date pursuant to Section 502, (B) if, as of such date, the principal amount payable at the Stated Maturity of a Security is not determinable, the principal amount of such Security which shall be deemed to be Outstanding shall be the amount as specified or determined as contemplated by Section 301(15), (C) the principal amount of a Security denominated in one or more foreign currencies or currency units which shall be deemed to be Outstanding shall be the U.S. dollar equivalent, determined as of such date in the manner provided as contemplated by Section 301, of the principal amount of such Security (or, in the case of a Security described in Clause (A) or (B) above, of the amount determined as provided in such Clause), and (D) Securities owned by the Company, the Guarantor or any other obligor upon the Securities or any Affiliate of the Company, the Guarantor or

of such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent, waiver or other action, only Securities which a Responsible Officer of the Trustee actually knows to be so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Company, the Guarantor or any other obligor upon the Securities or any Affiliate of the Company, the Guarantor or of such other obligor.

“Paying Agent” means any Person authorized by the Company to pay the principal of or any premium or interest on any Securities on behalf of the Company.

“Person” means any individual, corporation, limited liability company, partnership, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

“Place of Payment,” when used with respect to the Securities of any series, means the place or places where the principal of any premium and interest on the Securities of that series are payable as specified as contemplated by Section 301(6).

“Predecessor Security” of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security; and, for the purposes of this definition, any Security authenticated and delivered under Section 306 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Security shall be deemed to evidence the same debt as the mutilated, destroyed, lost or stolen Security.

“Principal Property” means any manufacturing plant or manufacturing facility which is (i) owned by the Guarantor or any Restricted Subsidiary and (ii) located within the continental United States of America, except any such plant which, in the opinion of the Board of Directors of the Guarantor, is not of material importance to the total business conducted by the Guarantor and the Restricted Subsidiaries taken as a whole.

“Redemption Date,” when used with respect to any Security to be redeemed, means the date fixed for such redemption by or pursuant to this Indenture.

“Redemption Price,” when used with respect to any Security to be redeemed, means the price at which it is to be redeemed pursuant to this Indenture.

“Regular Record Date” for the interest payable on any Interest Payment Date on the Securities of any series means the date specified for that purpose as contemplated by Section 301.

“Responsible Officer,” when used with respect to the Trustee, means any officer within the Corporate Trust Office of the Trustee including any vice president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, the cashier, any assistant cashier, any trust officer, any senior trust officer or assistant trust officer or any other officer of

the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“Restricted Subsidiary” means any Subsidiary of the Guarantor except any Subsidiary substantially all of the assets of which are located, or substantially all of the business of which is carried on, outside of the United States of America, or any Subsidiary substantially all of the assets of which consist of stock or other securities of such a Subsidiary.

“Securities” has the meaning stated in the first recital of this Indenture and more particularly means any Securities authenticated and delivered under this Indenture.

“Securities Act” means the Securities Act of 1933 and any statute successor thereto, in each case as amended from time to time.

“Security Register” and “Security Registrar” have the respective meanings specified in Section 305.

“Special Record Date” for the payment of any Defaulted Interest means a date fixed by the Trustee pursuant to Section 307.

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

“Subsidiary” means a corporation more than 50% of the outstanding voting stock of which is owned, directly or indirectly, by the Guarantor or by one or more other Subsidiaries, or by the Guarantor and one or more other Subsidiaries. For the purposes of this definition, “voting stock” means stock which ordinarily has voting power for the election of directors, whether at all times or only so long as no senior class of stock has such voting power by reason of any contingency.

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

“Trustee” means the Person named as the “Trustee” in the first paragraph of this instrument until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Trustee” shall mean or include each Person who is then a Trustee hereunder, 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 Securities of that series.

“U.S. Government Obligation” has the meaning specified in Section 1304.

“Vice President,” when used with respect to the Company, the Guarantor or the Trustee, means any vice president, whether or not designated by a number or a word or words added before or after the title “Vice President.”

102. Compliance Certificates and Opinions. Upon any application or request by the Company or the Guarantor to the Trustee to take any action under any provision of this Indenture, the Company or the Guarantor shall furnish to the Trustee such certificates and opinions as may be required under the Trust Indenture Act. Each such certificate or opinion shall be given in the form of an Officers’ Certificate, if to be given by an officer of the Company or the Guarantor, or an Opinion of Counsel, if to be given by counsel, and shall comply with the requirements of the Trust Indenture Act and any other requirements set forth in this Indenture.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture (other than the Officers’ Certificate provided for in Section 1004 hereof) shall include:

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

103. 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.

Any certificate or opinion of an officer of the Company or the Guarantor may be based, insofar as it relates to legal matters, upon an opinion of counsel, unless such officer knows, or in the exercise of reasonable care should know, that the opinion with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate or opinion of counsel may be based, insofar as it relates to factual matters, upon a certificate of, or representations by, an officer or officers of the Company or Guarantor stating that the information with respect to such factual matters is in the possession of the Company or Guarantor, unless such counsel knows, or in the exercise

of reasonable care should know, that the certificate or representations with respect to such matters are erroneous.

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

104. Acts of Holders; Record Dates. Any request, demand, authorization, direction, notice, consent, waiver or other action provided or permitted by this Indenture to be given, made or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders 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 and, where it is hereby expressly required, to the Company or the Guarantor. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 601) conclusive in favor of the Trustee, the Company and the Guarantor, if made in the manner provided in this Section.

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

The ownership of Securities shall be proved by the Security Register.

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

The Company may set any day as a record date for the purpose of determining the Holders of Outstanding Securities of any series entitled to give, make or take any request, demand, authorization, direction, notice, consent, waiver or other action provided or permitted by this Indenture to be given, made or taken by Holders of Securities of such series, provided that the Company may not set a record date for, and the provisions of this paragraph shall not apply with respect to, the giving or making of any notice, declaration, request or direction referred to in the next paragraph. If any record date is set pursuant to

this paragraph, the Holders of Outstanding Securities of the relevant series on such record date, and no other Holders, shall be entitled to take the relevant action, whether or not such Holders remain Holders after such record date; provided that no such action shall be effective hereunder unless taken on or prior to the applicable Expiration Date by Holders of the requisite principal amount of Outstanding Securities of such series on such record date. Nothing in this paragraph shall be construed to prevent the Company from setting a new record date for any action for which a record date has previously been set pursuant to this paragraph (whereupon the record date previously set shall automatically and with no action by any Person be cancelled and of no effect), and nothing in this paragraph shall be construed to render ineffective any action taken by Holders of the requisite principal amount of Outstanding Securities of the relevant series on the date such action is taken. Promptly after any record date is set pursuant to this paragraph, the Company, at its own expense, shall cause notice of such record date, the proposed action by Holders and the applicable Expiration Date to be given to the Trustee in writing and to each Holder of Securities of the relevant series in the manner set forth in Section 106.

The Trustee may set any day as a record date for the purpose of determining the Holders of Outstanding Securities of any series entitled to join in the giving or making of (i) any Notice of Default, (ii) any declaration of acceleration referred to in Section 502, (iii) any request to institute proceedings referred to in Section 507(2) or (iv) any direction referred to in Section 512, in each case with respect to Securities of such series. If any record date is set pursuant to this paragraph, the Holders of Outstanding Securities of such series on such record date, and no other Holders, shall be entitled to join in such notice, declaration, request or direction, whether or not such Holders remain Holders after such record date; provided that no such action shall be effective hereunder unless taken on or prior to the applicable Expiration Date by Holders of the requisite principal amount of Outstanding Securities of such series on such record date. Nothing in this paragraph shall be construed to prevent the Trustee from setting a new record date for any action for which a record date has previously been set pursuant to this paragraph (whereupon the record date previously set shall automatically and with no action by any Person be cancelled and of no effect), and nothing in this paragraph shall be construed to render ineffective any action taken by Holders of the requisite principal amount of Outstanding Securities of the relevant series on the date such action is taken. Promptly after any record date is set pursuant to this paragraph, the Trustee, at the Company's expense, shall cause notice of such record date, the proposed action by Holders and the applicable Expiration Date to be given to the Company in writing and to each Holder of Securities of the relevant series in the manner set forth in Section 106.

With respect to any record date set pursuant to this Section, the party hereto which sets such record dates may designate any date as the "Expiration Date" and from time to time may change the Expiration Date to any earlier or later day; provided that no such change shall be effective unless notice of the proposed new Expiration Date is given to the other party hereto in writing, and to each Holder of Securities of the relevant series in the manner set forth in Section 106, on or prior to the existing Expiration Date. If an Expiration Date is not designated with respect to any record date set pursuant to this Section, the party hereto which sets such record date shall be deemed to have initially designated the 180th day after such record date as the Expiration Date with respect

thereto, subject to its right to change the Expiration Date as provided in this paragraph. Notwithstanding the foregoing, no Expiration Date shall be later than the 180th day after the applicable record date.

Without limiting the foregoing, a Holder entitled hereunder to give or take any action hereunder with regard to any particular Security may do so with regard to all or any part of the principal amount of such Security or by one or more duly appointed agents each of which may do so pursuant to such appointment with regard to all or any part of such principal amount.

105. Notices, Etc., to Trustee, Company and Guarantor. Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with,

- (1) the Trustee by any Holder or by the Company or the Guarantor shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the Trustee at 101 Barclay Street, New York, NY 10286 Attn: Corporate Finance, or at any other address previously furnished in writing to the Company and the Holders by the Trustee,
- (2) the Company or the Guarantor by the Trustee or by any Holder shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to the Company or the Guarantor, as the case may be, addressed to it at the address of its principal office specified in the first paragraph of this instrument, Attn. Secretary, or at any other address previously furnished in writing to the Trustee by the Company or the Guarantor.

106. Notice to Holders; Waiver. Where this Indenture provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Holder affected by such event, at his address as it appears in the Security Register, not later than the latest date (if any), and not earlier than the earliest date (if any), prescribed for the giving of such notice. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

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

107. Conflict with Trust Indenture Act. If any provision hereof limits, qualifies or conflicts with a provision of the Trust Indenture Act that is required under such Act to be a part of and govern this Indenture, the latter provision shall control. If any provision of this Indenture modifies or excludes any provision of the Trust Indenture Act that may be so modified or excluded, the latter provision shall be deemed to apply to this Indenture as so modified or to be excluded, as the case may be.
108. Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.
109. Successors and Assigns. All covenants and agreements in this Indenture by the Company or the Guarantor shall bind its successors and assigns, whether so expressed or not.
110. Separability Clause. In case any provision in this Indenture or in the Securities or in any Guarantee shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.
111. Benefits of Indenture. Nothing in this Indenture or in the Securities or in any Guarantee, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder and the Holders, any benefit or any legal or equitable right, remedy or claim under this Indenture.
112. Governing Law. This Indenture, the Securities and any Guarantee shall be governed by and construed in accordance with the law of the State of New York, without regard to principles of conflicts of laws.
113. Legal Holidays. In any case where any Interest Payment Date, Redemption Date or Stated Maturity of any Security shall not be a Business Day at any Place of Payment, then (notwithstanding any other provision of this Indenture or of the Securities (other than a provision of any Security that specifically states that such provision shall apply in lieu of this Section)) payment of interest or principal (and premium, if any) need not be made at such Place of Payment on such date, but may be made on the next succeeding Business Day at such Place of Payment with the same force and effect as if made on the Interest Payment Date or Redemption Date, or at the Stated Maturity, provided, that no interest shall accrue with respect to such payment for the period from and after such Interest Payment Date, Redemption Date or Stated Maturity, as the case may be.

ARTICLE 2
SECURITY FORMS

201. Forms Generally. The Securities of each series shall be in substantially the form set forth in this Article, or in such other form as shall be established by or pursuant to a Board Resolution of the Company 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 such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be

required to comply with the rules of any securities exchange or as may, consistently herewith, be determined by the officers executing such Securities, as evidenced by their execution thereof. If the form of Securities of any series is established by action taken pursuant to a Board Resolution of the Company, a copy of an appropriate record of such action shall be certified by the Secretary or an Assistant Secretary of the Company and delivered to the Trustee at or prior to the delivery of the Company Order contemplated by Section 303 for the authentication and delivery of such Securities.

Subject to Section 901(4), 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.

202. Form of Face of Security. {Insert any legend required by the Securities Act or the Internal Revenue Code or the regulations thereunder.}

NORTHROP GRUMMAN S&MS FINANCE, LLC
fully and unconditionally guaranteed by
NORTHROP GRUMMAN CORPORATION

No. _____

\$ _____

CUSIP _____

Northrop Grumman S&MS Finance, LLC, a limited liability company duly organized and existing under the laws of Delaware (herein called the "Company," which term includes any successor Person under the Indenture hereinafter referred to), for value received, hereby promises to pay to _____, or registered assigns, the principal sum of _____ {Dollars} {if other than Dollars, substitute other currency or currency units} on _____ {If the Security is to bear interest prior to Maturity, insert -- and to pay interest thereon from _____ or from the most recent Interest Payment Date to which interest has been paid or duly provided for, {semi-annually on _____ and _____ in each year} {if other than semi-annual interest at a fixed rate, insert -- frequency of payments and payment dates}, commencing _____ at {If the Security is to bear interest at a fixed rate, insert -- the rate of _____% per annum} {if the Security is to bear interest at a rate determined with reference to one or more formula, refer to description of index below}, until the principal hereof is paid or made available for payment {If applicable, insert --, provided that any principal and premium, and any such installment of interest, which is overdue shall bear interest at the rate of _____% per annum (to the extent that the payment of such interest shall be legally enforceable), from the dates such amounts are due until they are paid or made available for payment, and such interest shall be payable on demand.} Interest shall

be computed on the basis of a 360-day year of twelve 30-day months. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the _____ day (whether or not a Business Day) next preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the Payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture.}

{If the Securities are securities with respect to which the principal of or any premium or interest may be determined with reference to one or more indices or formulas, insert the text of such indices or formulas.}

{If the Security is not to bear interest prior to Maturity, insert -- The principal of this Security shall not bear interest except in the case of a default in payment of principal upon acceleration, upon redemption or at Stated Maturity and in such case the overdue principal and any overdue premium shall bear interest at the rate of _____% per annum (to the extent that the payment of such interest shall be legally enforceable), from the dates such amounts are due until they are paid or made available for payment. Interest on any overdue principal or premium shall be payable on demand. {Any such interest on overdue principal or premium which is not paid on demand shall bear interest at the rate of _____% per annum (to the extent that the payment of such interest on interest shall be legally enforceable), from the date of such demand until the amount so demanded is paid or made available for payment. Interest on any overdue interest shall be payable on demand.}}

Payment of the principal of (and premium, if any) and {if applicable, insert -- any such} interest on this Security will be made at the office or agency of the Company maintained for that purpose in _____ in such coin or currency {of the United States of America} {if the Security is denominated in a currency other than U.S. dollars, specify other currency or currency unit in which payment of the principal or any premium or interest may be made} as at the time of payment is legal tender for payment of public and private debts {if applicable, insert --; provided, however, that at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register or by wire transfer to an account maintained by the Person entitled thereto as specified in the Security Register.}

This Security is fully and unconditionally guaranteed by Northrop Grumman Corporation, a corporation duly organized and existing under the laws of the State of Delaware (the "Guarantor").

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

Dated: _____

NORTHROP GRUMMAN S&MS FINANCE LLC

By _____

203. Form of Reverse of Security. This Security is one of a duly authorized issue of securities of the Company (herein called the "Securities"), issued and to be issued in one or more series under an Indenture, dated as of _____, _____ (herein called the "Indenture", which term shall have the meaning assigned to it in such instrument), among the Company, the Guarantor and The Bank of New York Mellon, as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), and reference is hereby made to the Indenture for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Guarantor, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be authenticated and delivered. This Security is one of the series designated on the face hereof {if applicable, insert {initially} -- limited in aggregate principal amount to \$_____}. {The Securities are {unsecured general obligations of the Company.}}

{If applicable, insert -- The securities of this series are subject to redemption upon not less than 30 days' notice by mail, {If applicable, insert -- (1) on _____ in any year commencing with the year _____ and ending with the year _____ through operation of the sinking fund for this series at a Redemption Price equal to 100% of the principal amount, and (2)} at any time {if applicable, insert -- on or after _____, _____}, as a whole or in part, at the election of the Company, at the following Redemption Prices (expressed as percentages of the principal amount), if redeemed {if applicable, insert -- on or before _____, _____% and if redeemed} during the 12-month period beginning the _____ day of _____ of the years indicated,

Year	Redemption Price	Year	Redemption Pri
------	------------------	------	----------------

and thereafter at a Redemption Price equal to _____% of the principal amount, together in the case of any such redemption {if applicable, insert -- (whether through operation of the sinking fund or otherwise)} with accrued interest to the Redemption Date, but interest installments whose Stated Maturity is on or prior to such Redemption Date will be payable to the Holders of such Securities, or one or more Predecessor Securities, of record at the close of business on the relevant Record Dates referred to on the face hereof, all as provided in the Indenture.}

{If applicable, insert -- The Securities of this series are subject to redemption upon not less than 30 days' notice by mail, (1) on _____ in any year commencing with the year _____ and ending with the year _____ through operation of the sinking fund for this series at the Redemption Prices for redemption through operation of the sinking fund (expressed as percentages of the principal amount) set forth in the table below, and (2) at any time {if applicable, insert -- on or after _____, as a whole or in part, at the election of the Company, at the Redemption Prices for redemption otherwise than through operation of the sinking fund (expressed as percentages of the principal amount) set forth in the table below: If redeemed during the 12-month period beginning the _____ day of _____ of the years indicated,

Year	Redemption Price For Redemption Through Operation Of The Sinking Fund	Redemption Price For Redemption Otherwise Than Through Operation Of The Sinking Fund
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and thereafter at a Redemption Price equal to _____% of the principal amount, together in the case of any such redemption (whether through operation of the sinking fund or otherwise) with accrued interest to the Redemption Date, but interest installments whose Stated Maturity is on or prior to such Redemption Date will be payable to the Holders of such Securities, or one or more Predecessor Securities, of record at the close of business on the relevant Record Dates referred to on the face hereof, all as provided in the Indenture.}

{If applicable, insert -- Notwithstanding the foregoing, the Company may not, prior to _____ redeem any Securities of this series as contemplated by {if applicable, insert -- Clause (2) of the preceding paragraph as a part of, or in anticipation of, any refunding operation by the application, directly or indirectly, of moneys borrowed having an interest cost to the Company (calculated in accordance with generally accepted financial practice) of less than _____% per annum.}

{If applicable, insert -- The sinking fund for this series provides for the redemption on _____ in each year beginning with the year _____ and ending with the year _____ of {if applicable, insert -- not less than \$_____ (“mandatory sinking fund”) and not more than} \$_____ aggregate principal

amount of Securities of this series. Securities of this series acquired or redeemed by the Company otherwise than through {if applicable, insert -- mandatory} sinking fund payments may be credited against subsequent {if applicable, insert -- mandatory} {sinking fund payments otherwise required to be made {if applicable, insert —, in the inverse order in which they become due}.

{If the Security is subject to redemption of any kind, insert -- In the event of redemption of this Security in part only, a new Security or Securities of this series and of like tenor for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.}

{If the Security is not subject to redemption of any kind, insert -- This Security is not redeemable prior to the Stated Maturity.}

{If applicable, insert -- The Indenture contains provisions for defeasance at any time of {the entire indebtedness of this Security} {or} {certain restrictive covenants and Events of Default with respect to this Security} {, in each case} upon compliance with certain conditions set forth in the Indenture.}

{If the Security is convertible into securities of the Company, specify the conversion features.}

{If the Security is not an Original Issue Discount Security, insert -- If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.}

{If the Security is an Original Issue Discount Security, insert -- If an Event of Default with respect to Securities of this series shall occur and be continuing, an amount of principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture. Such amount shall be equal to {insert -- formula for determining the amount.} Upon payment (i) of the amount of principal so declared due and payable and (ii) of interest on any overdue principal, premium and interest (in each case to the extent that the payment of such interest shall be legally enforceable), all of the Company's obligations in respect of the payment of the principal of and premium and interest, if any, on the Securities of this series shall terminate.}

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the Guarantor and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company, the Guarantor and the Trustee with the consent of the Holders of a majority in principal amount of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company or the Guarantor with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any

such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Securities of this series, the Holders of not less than 25% in principal amount of the Securities of this series at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee reasonable indemnity, and the Trustee shall not have received from the Holders of a majority in principal amount of Securities of this series at the time Outstanding a direction inconsistent with such request, and shall have failed to institute any such proceeding, for 60 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Security for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

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

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

The Securities of this series are issuable only in registered form without coupons in denominations of \$1,000 and any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series and of like tenor of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Guarantor, the Trustee and any agent of the Company, the Guarantor or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Guarantor, the Trustee nor any such agent shall be affected by notice to the contrary.

All terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

204. Form of Legend for Global Securities. Unless otherwise specified as contemplated by Section 301 for the Securities evidenced thereby, every Global Security authenticated and delivered hereunder shall bear a legend in substantially the following form:

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE THEREOF. THIS SECURITY MAY NOT BE TRANSFERRED TO, OR REGISTERED OR EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED IN THE NAME OF ANY PERSON OTHER THAN SUCH DEPOSITARY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

205. Form of Trustee's Certificate of Authentication. The Trustee's certificates of authentication shall be in substantially the following form:

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

THE BANK OF NEW YORK MELLON, As
Trustee

Authorized Signatory

206. Form of Guarantee. The Guarantee shall be in substantially the following form:

For value received, the undersigned (the "Guarantor"), to the extent set forth in and subject to the terms of the Indenture dated as of _____, _____ (herein called the "Indenture", which term shall have the meaning assigned to it in such instrument), among Northrop Grumman S&MS Finance, LLC, a limited liability company duly organized and existing under the laws of the State of Delaware (the "Company"), the Guarantor and The Bank of New York Mellon, as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), irrevocably and unconditionally guarantees, as a primary obligor and not merely as a surety, to the Trustee and to each Holder (1) the full and punctual payment when due, whether at Maturity, by acceleration, by redemption or otherwise, of all obligations of the Company under this Indenture (including obligations to the Trustee) and the Securities, whether for payment of principal, interest, or premium, if any, on the Securities, the payment of any sinking fund payment, if any, provided for with respect to any such

Security and all other monetary obligations of the Company under this Indenture and the Securities, and (2) the full and punctual performance within applicable grace periods of all other obligations of the Company whether for fees, expenses, indemnification or otherwise under this Indenture and the Securities (all the foregoing being herein collectively called the “Guaranteed Obligations”); and the Guarantor hereby agrees to pay any and all expenses (including reasonable counsel fees and expenses) incurred by such Holder or the Trustee in enforcing any rights under this Guarantee.

The obligations of the Guarantor to the Holders and to the Trustee pursuant to this Guarantee and the Indenture are expressly set forth in Article Fourteen of the Indenture, and reference is hereby made to the Indenture for the precise terms and limitations of this Guarantee. Each Holder of the Securities on which this Guarantee is endorsed, by accepting such Securities, agrees to and shall be bound by such provisions.

All terms used in this Guarantee which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

IN WITNESS WHEREOF, the Guarantor has caused this Guarantee to be signed by a duly authorized officer.

NORTHROP GRUMMAN CORPORATION

Authorized Officer

ARTICLE 3
THE SECURITIES

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

The Securities may be issued in one or more series. There shall be established in or pursuant to a Board Resolution of the Company and, subject to Section 303, set forth, or determined in the manner provided, in an Officers’ Certificate of the Company, or established in one or more indentures supplemental hereto, prior to the issuance of Securities of any series:

- (1) the title of the Securities of the series (which shall distinguish the Securities of the series from Securities of any other series);
- (2) any limit upon the aggregate principal amount of the Securities of the series which 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 304, 305, 306, 906 or 1107 and except for any Securities which, pursuant to Section 303, are deemed never to have been authenticated and delivered hereunder);

- (3) the Person to whom any interest on a Security of the series shall be payable, if other than the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest;
- (4) the date or dates on which the principal of any Securities of the series is payable;
- (5) the rate or rates at which any Securities of the series shall bear interest, if any, the date or dates from which any such interest shall accrue, the Interest Payment Dates on which any such interest shall be payable and the Regular Record Date for any such interest payable on any Interest Payment Date;
- (6) the place or places where the principal of and any premium and interest on any Securities of the series shall be payable;
- (7) the period or periods within which, the price or prices at which and the terms and conditions upon which any Securities of the series may be redeemed, in whole or in part, at the option of the Company;
- (8) the obligation, if any, of the Company to redeem or purchase any Securities of the series pursuant to any sinking fund or analogous provisions or at the option of the Holder thereof and the period or periods within which, the price or prices at which and the terms and conditions upon which any Securities of the series shall be redeemed or purchased, in whole or in part, pursuant to such obligation;
- (9) any provision for the conversion or exchange of Securities of the series, either at the option of the Holder thereof or the Company, into or for another security or securities of the Company or the Guarantor, the security or securities into or for which, the period or periods within which, the price or prices, including any adjustments thereto, at which and the other terms and conditions upon which any Securities of the series shall be converted or exchanged, in whole or in part, pursuant to such obligation;
- (10) if other than denominations of \$1,000 and any integral multiple thereof, the denominations in which any Securities of the series shall be issuable;
- (11) if the amount of principal of or any premium or interest on any Securities of the series may be determined with reference to one or more indices or pursuant to a formula, the manner in which such amounts shall be determined;
- (12) if other than the currency of the United States of America, the currency, currencies or currency units in which the principal of or any premium or interest on any Securities of the series shall be payable and the manner of determining the equivalent thereof in the currency of the United States of America for any purpose, including for purposes of the definition of "Outstanding" in Section 101;
- (13) if the principal of or any premium or interest on any Securities of the series is to be payable, at the election of the Company or the Holder thereof, in one or more

currencies or currency units other than that or those in which such Securities are stated to be payable, the currency, currencies or currency units in which the principal of or any premium or interest on such Securities as to which such election is made shall be payable, the periods within which and the terms and conditions upon which such election is to be made and the amount so payable (or the manner in which such amount shall be determined);

- (14) if other than the entire principal amount thereof, the portion of the principal amount of any Securities of the series which shall be payable upon declaration of acceleration of the Maturity thereof pursuant to Section 502;
- (15) if the principal amount payable at the Stated Maturity of any Securities of the series will not be determinable as of any one or more dates prior to the Stated Maturity, the amount which shall be deemed to be the principal amount of such Securities as of any such date for any purpose thereunder or hereunder, including the principal amount thereof which shall be due and payable upon any Maturity other than the Stated Maturity or which shall be deemed to be Outstanding as of any date prior to the Stated Maturity (or, in any such case, the manner in which such amount deemed to be the principal amount shall be determined);
- (16) whether either or both of Section 1302 and Section 1303 shall not apply to the Securities of the series;
- (17) if and as applicable, that any Securities of the series shall be issuable in whole or in part in the form of one or more Global Securities and, in such case, the respective Depositaries for such Global Securities, the form of any legend or legends which shall be borne by any such Global Security in addition to or in lieu of that set forth in Section 204 and any circumstances in addition to or in lieu of those set forth in Clause (2) of Section 305 in which any such Global Security may be exchanged in whole or in part for Securities registered, and any transfer of such Global Security in whole or in part may be registered, in the name or names of Persons other than the Depositary for such Global Security or a nominee thereof;
- (18) any addition to or change in the Events of Default which applies to any Securities of the series and any change in the right of the Trustee or the requisite Holders of such Securities to declare the principal amount thereof due and payable pursuant to Section 502;
- (19) any addition to or change in the covenants set forth in Article Ten which applies to Securities of the series;
- (20) any addition to or change in the provisions of the Guarantee which applies to Securities of the series; and
- (21) any other terms of the series (which terms shall not be inconsistent with the provisions of this Indenture, except as permitted by Section 901(5)).

All Securities of any one series shall be substantially identical except as to denomination and except as may otherwise be provided in or pursuant to the Board Resolution referred to above and (subject to Section 303) set forth, or determined in the manner provided in the Officers' Certificate referred to above or in any such indenture supplemental hereto. All Securities of any one series need not be issued at one time and, unless otherwise provided, a series may be reopened for issuances of additional Securities of such series.

Unless otherwise provided with respect to the Securities of any series, at the option of the Company, interest on the Securities of any series that bears interest may be paid by mailing a check to the address of the person entitled thereto as such address shall appear in the Security Register.

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

302. Denominations. The Securities of each series shall be issuable only in registered form without coupons and only in such denominations as shall be specified as contemplated by Section 301(10). In the absence of any such specified denomination with respect to the Securities of any series, the Securities of such series shall be issuable in denominations of \$1,000 and any integral multiple thereof.

303. Execution, Authentication, Delivery and Dating. The Securities shall be executed on behalf of the Company by its Chairman of the Board, its Vice Chairman of the Board, its President, one of its Vice Presidents, its Treasurer, or its Secretary. The signature of any of these officers on the Securities may be manual or facsimile.

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

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Securities of any series executed by the Company to the Trustee for authentication, together with a Company Order for the authentication and delivery of such Securities, and the Trustee in accordance with the Company Order shall authenticate and deliver such Securities. If the form or terms of the Securities of the series have been established by or pursuant to one or more Board Resolutions as permitted by Sections 201 and 301, in authenticating such Securities, and accepting the additional responsibilities under this Indenture in relation to such Securities, the Trustee shall be entitled to receive, and (subject to Section 601) shall be fully protected in relying upon, an Opinion of Counsel stating,

- (1) if the form of such Securities has been established by or pursuant to Board Resolution as permitted by Section 201, that such form has been established in conformity with the provisions of this Indenture;
- (2) if the terms of such Securities have been established by or pursuant to Board Resolution as permitted by Section 301, that such terms have been established in conformity with the provisions of this Indenture;
- (3) that such Securities, when authenticated and delivered by the Trustee and issued by the Company in the manner and subject to any conditions specified in such Opinion of Counsel, will constitute valid and legally binding obligations of the Company enforceable in accordance with their terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles and, if applicable, to provisions of law which may require that a judgment for money damages rendered by a court in the United States be expressed in United States dollars; and
- (4) that the Guarantees relating to such Securities, when the Securities on which the Guarantees shall have been endorsed or to which the Guarantees relate shall have been authenticated and delivered by the Trustee and issued by the Company in the manner and subject to any conditions specified in such Opinion of Counsel, will constitute valid and legally binding obligations of the Guarantor enforceable in accordance with their terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles and, if applicable, to provisions of law which may require that a judgment for money damages rendered by a court in the United States be expressed in United States dollars.

If such form or terms have been so established, the Trustee shall not be required to authenticate such Securities if the issue of such Securities pursuant to this Indenture will affect the Trustee's own rights, duties or immunities under the Securities and this Indenture or otherwise in a manner which is not reasonably acceptable to the Trustee.

Notwithstanding the provisions of Section 301 and of the preceding paragraph, if all Securities of a series are not to be originally issued at one time, it shall not be necessary to deliver the Officers' Certificate otherwise required pursuant to Section 301 or the Company Order and Opinion of Counsel otherwise required pursuant to such preceding paragraph at or prior to the authentication of each Security of such series if such documents are delivered at or prior to the authentication upon original issuance of the first Security of such series to be issued.

Each Security shall be dated the date of its authentication.

No Security shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication

substantially in the form provided for herein, executed by the Trustee by manual signature of an authorized signatory, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder. Notwithstanding the foregoing, if any Security shall have been authenticated and delivered hereunder but never issued and sold by the Company, and the Company shall deliver such Security to the Trustee for cancellation as provided in Section 309, for all purposes of this Indenture such Security shall be deemed never to have been authenticated and delivered hereunder and shall never be entitled to the benefits of this Indenture.

304. Temporary Securities. Pending the preparation of definitive Securities of any series, the Company may execute, and upon Company Order the Trustee shall authenticate and deliver, temporary Securities which are printed, lithographed, typewritten, mimeographed or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Securities in lieu of which they are issued and having endorsed thereon Guarantees duly executed by the Guarantor and with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Securities may determine, as evidenced by their execution of such Securities.

If temporary Securities of any series are issued, the Company will cause definitive Securities of that series to be prepared without unreasonable delay. After the preparation of definitive Securities of such series, the temporary Securities of such series shall be exchangeable for definitive Securities of such series upon surrender of the temporary Securities of such series at the office or agency of the Company in a Place of Payment for that series, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Securities of any series, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor one or more definitive Securities of the same series, of any authorized denominations and of like tenor and aggregate principal amount and having endorsed thereon Guarantees duly executed by the Guarantor. Until so exchanged, the temporary Securities of any series shall in all respects be entitled to the same benefits under this Indenture as definitive Securities of such series and tenor.

305. Registration, Registration of Transfer and Exchange. The Company shall cause to be kept at the Corporate Trust Office of the Trustee a register (the register maintained in such office or in any other office or agency of the Company in a Place of Payment being herein sometimes referred to as the "Security Register") in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Securities and of transfers of Securities. The Trustee is hereby appointed "Security Registrar" for the purpose of registering Securities and transfers of Securities as herein provided.

Upon surrender for registration of transfer of any Security of a series at the office or agency of the Company in a Place of Payment for that series, the Company shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Securities of the same series, of any authorized denominations and of like tenor and aggregate principal amount and having endorsed thereon Guarantees duly executed by the Guarantor.

At the option of the Holder, Securities of any series may be exchanged for other Securities of the same series, of any authorized denominations and of like tenor and aggregate principal amount, each such Security having endorsed thereon a Guarantee duly executed by the Guarantor, upon surrender of the Securities to be exchanged at such office or agency. Whenever any Securities are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and deliver, the Securities which the Holder making the exchange is entitled to receive.

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

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

No service charge shall be made for any registration of transfer or exchange of Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Securities, other than exchanges pursuant to Section 304, 906 or 1107 not involving any transfer.

If the Securities of any series (or of any series and specified tenor) are to be redeemed in part, the Company shall not be required (A) to issue, register the transfer of or exchange any Securities of that series (or of that series and specified tenor, as the case may be) during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of any such Securities selected for redemption under Section 1103 and ending at the close of business on the day of such mailing, or (B) to register the transfer of or exchange any Security so selected for redemption in whole or in part, except the unredeemed portion of any Security being redeemed in part.

The provisions of Clauses (1), (2), (3), (4) and (5) below shall apply only to Global Securities:

- (1) Each Global Security authenticated under this Indenture shall be registered in the name of the Depositary designated for such Global Security or a nominee thereof and delivered to such Depositary or a nominee thereof or custodian therefor, and each such Global Security shall constitute a single Security for all purposes of this Indenture.
- (2) Notwithstanding any other provision in this Indenture, no Global Security may be exchanged in whole or in part for Securities registered, and no transfer of a Global Security in whole or in part may be registered, in the name of any Person other than the Depositary for such Global Security or a nominee thereof unless (A) such Depositary (i) has notified the Company that it is unwilling or unable to continue

as Depositary for such Global Security or (ii) has ceased to be a clearing agency registered under the Exchange Act, (B) there shall have occurred and be continuing an Event of Default with respect to such Global Security or (C) there shall exist such circumstances, if any, in addition to or in lieu of the foregoing as have been specified for this purpose as contemplated by Section 301.

- (3) Subject to the provisions of Clause (2) above, the rights of holders of such Global Securities shall be exercised only through the Depositary and shall be limited to those established by law and agreements between such holders and the Depositary and or the Depositary participants. The initial Depositary will make book-entry transfers among the Depositary participants and receive and transmit distributions of principal and interest on the Global Securities to such Depositary participants.

The Depositary may be treated by the Company and the Trustee, and any of their respective agents, employees, officers and directors, as the absolute owner of the Global Securities for all purposes whatsoever. Notwithstanding the foregoing, nothing in this Indenture shall prevent the Company and the Trustee, or any of their respective agents, from giving effect to any written certification, proxy or other authorization furnished by the Depositary, or shall impair the operation of customary practices governing the exercise of the rights of a holder of any Global Security. Subject to the foregoing provisions of this Section, any Holder of any Global Security may grant proxies and otherwise authorize any person to take any action which a Holder is entitled to take under this Indenture or the Global Securities.

- (4) Subject to Clause (2) above, any exchange of a Global Security for other Securities may be made in whole or in part, and all Securities issued in exchange for a Global Security or any portion thereof shall be registered in such names as the Depositary for such Global Security shall direct.
- (5) Every Security authenticated and delivered upon registration of transfer of, or in exchange for or in lieu of, a Global Security or any portion thereof, whether pursuant to this Section, Section 304, 306, 906 or 1107 or otherwise, shall be authenticated and delivered in the form of, and shall be, a Global Security, unless such Security is registered in the name of a Person other than the Depositary for such Global Security or a nominee thereof.

None of the Company, the Guarantor, the Trustee nor any agent of the Company, the Guarantor or the Trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests of a Global Security or maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

306. Mutilated, Destroyed, Lost or Stolen Securities. If any mutilated Security is surrendered to the Trustee, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a new Security of the same series and of like tenor and principal

amount, having endorsed thereon a Guarantee duly executed by the Guarantor and bearing a number not contemporaneously outstanding.

If there shall be delivered to the Company and the Trustee (i) evidence to their satisfaction of the destruction, loss or theft of any Security and (ii) such security or indemnity as may be required by them to save each of them and any agent of either of them harmless, then, in the absence of notice to the Company, the Guarantor or the Trustee that such Security has been acquired by a bona fide purchaser, the Company shall execute and the Trustee shall authenticate and deliver, in lieu of any such destroyed, lost or stolen Security, a new Security of the same series and of like tenor and principal amount, having endorsed thereon a Guarantee duly executed by the Guarantor and bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost or stolen Security has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Security, pay such Security.

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

Every new Security of any series issued pursuant to this Section in lieu of any destroyed, lost or stolen Security shall constitute an original additional contractual obligation of the Company, 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 this Indenture equally and proportionately with any and all other Securities of that series duly issued hereunder.

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

307. Payment of Interest; Interest Rights Preserved. Except as otherwise provided as contemplated by Section 301 with respect to any series of Securities, interest on any Security which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest.

Any interest on any Security of any series which 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 may be paid by the Company, at its election in each case, as provided in Clause (1) or (2) below:

(1) The Company may elect to make payment of any Defaulted Interest to the Persons in whose name the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on a Special Record

Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Security of such series and the date of the proposed payment, and at the same time the Company 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 be not more than 15 days and not less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of any notice of the proposed payment. The Trustee shall promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder of Securities of such series, 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 so mailed, such Defaulted Interest shall be paid to the Persons in whose names the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on such Special Record Date and shall no longer be payable pursuant to the following Clause (2).

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

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

308. Persons Deemed Owners. Prior to due presentment of a Security for registration of transfer, the Company, the Guarantor, the Trustee and any agent of the Company, the Guarantor or the Trustee may treat the Person in whose name such Security is registered as the owner of such Security for the purpose of receiving payment of principal of and any premium and (subject to Section 307) any interest on such Security and for all other purposes whatsoever, whether or not such Security be overdue, and neither the Company, the Guarantor, the Trustee nor any agent of the Company, the Guarantor or the Trustee shall be affected by notice to the contrary.

309. Cancellation. All Securities surrendered for payment, redemption, registration of transfer or exchange or for credit against any sinking fund payment shall, if surrendered to any

Person other than the Trustee, be delivered to the Trustee and shall be promptly cancelled by it. The Company and the Guarantor may at any time deliver to the Trustee for cancellation any Securities previously authenticated and delivered hereunder which the Company or the Guarantor may have acquired in any manner whatsoever, and may deliver to the Trustee (or to any other Person for delivery to the Trustee) for cancellation any Securities previously authenticated hereunder which the Company has not issued and sold, and all Securities so delivered shall be promptly cancelled by the Trustee. No Securities shall be authenticated in lieu of or in exchange for any Securities cancelled as provided in this Section, except as expressly permitted by this Indenture. All cancelled Securities held by the Trustee shall be disposed of by the Trustee in accordance with its customary procedure, unless otherwise directed by a Company Order.

310. Computation of Interest. Except as otherwise specified as contemplated by Section 301 for Securities of any series, interest on the Securities of each series shall be computed on the basis of a 360-day year of twelve 30-day months.

ARTICLE 4 SATISFACTION AND DISCHARGE

401. Satisfaction and Discharge of Indenture. This Indenture shall upon Company Request cease to be of further effect (except as to any surviving rights of registration of transfer or exchange of Securities herein expressly provided for), and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when

(1) either

(a) all Securities theretofore authenticated and delivered (other than (i) Securities which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 306 and (ii) Securities for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Company or the Guarantor and thereafter repaid to the Company or the Guarantor or discharged from such trust, as provided in Section 1003) have been delivered to the Trustee for cancellation; or

(b) all such Securities not theretofore delivered to the Trustee for cancellation

(1) have become due and payable, or

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

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

and the Company or the Guarantor, in the case of (i), (ii) or (iii) above, has deposited or caused to be deposited with the Trustee as trust funds in trust for the purpose money

(either in United States dollars or such other currency or currency units in which the Securities of any series may be payable) in an amount sufficient to pay and discharge the entire indebtedness on such Securities not theretofore delivered to the Trustee for cancellation, for principal and any premium and interest to the date of such deposit (in the case of Securities which have become due and payable) or to the Stated Maturity or Redemption Date, as the case may be;

- (2) the Company or the Guarantor has paid or caused to be paid all other sums payable hereunder by the Company or the Guarantor; and
- (3) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with.

Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Company and the Guarantor to the Trustee under Section 607, the obligations of the Company to any Authenticating Agent under Section 614 and, if money shall have been deposited with the Trustee pursuant to subclause (b) of Clause (1) of this Section, the obligations of the Trustee under Section 402 and the last paragraph of Section 1003 shall survive.

402. Application of Trust Money. Subject to the provisions of the last paragraph of Section 1003, all money deposited with the Trustee pursuant to Section 401 shall be held in trust and applied by it, in accordance with the provisions of the Securities and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal and any premium and interest for whose payment such money has been deposited with the Trustee.

ARTICLE 5 REMEDIES

501. Events of Default. "Event of Default", wherever used herein with respect to Securities of any series, means any of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

- (1) default in the payment of any interest upon any Security of that series when it becomes due and payable, and continuance of such default for a period of 30 days; or
- (2) default in the payment of the principal of or any premium on any Security of that series when due, whether at its Maturity, upon acceleration or otherwise; or
- (3) default in the deposit of any sinking fund payment, when and as due by the terms of a Security of that series; or

- (4) default in the performance, or breach, of any covenant, agreement or warranty of the Company or the Guarantor in this Indenture (other than a covenant, agreement or warranty a default in whose performance or whose breach is elsewhere in this Section specifically dealt with or which has expressly been included in this Indenture solely for the benefit of series of Securities other than that series), and continuance of such default or breach for a period of 90 days after there has been given, by registered or certified mail, to the Company or the Guarantor, as the case may be, by the Trustee or to the Company or the Guarantor, as the case may be, and the Trustee by the Holders of at least 10% in principal amount of the Outstanding Securities of that series a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a “Notice of Default” hereunder; or
- (5) the entry by a court having jurisdiction in the premises of (A) a decree or order for relief in respect of the Company or the Guarantor in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or (B) a decree or order adjudging the Company or the Guarantor a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Company or the Guarantor under any applicable Federal or State law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or the Guarantor or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of 60 consecutive days; or
- (6) the commencement by the Company or the Guarantor of a voluntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by either the Company or the Guarantor to the entry of a decree or order for relief in respect of the Company or the Guarantor, as the case may be, in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable Federal or State law, or the consent by it to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or the Guarantor or of any substantial part of its property, or the making by either the Company or the Guarantor of an assignment for the benefit of creditors, or the admission by either the Company or the Guarantor in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by the Company or the Guarantor in furtherance of any such action; or

- (7) any Guarantee is determined to be unenforceable or invalid or shall for any reason cease to be in full force and effect except as permitted by this Indenture, or the Guarantor repudiates its obligations under such Guarantee; or
- (8) any other Event of Default provided with respect to Securities of that series.

502. Acceleration of Maturity; Rescission and Annulment. If an Event of Default (other than an Event of Default specified in Section 501(5) or 501(6)) with respect to Securities of any series at the time Outstanding occurs and is continuing, then in every such case the Trustee or the Holders of not less than 25% in principal amount of the Outstanding Securities of that series may declare the principal amount of all the Securities of that series (or, if any Securities of that series are Original Issue Discount Securities, such portion of the principal amount of such Securities as may be specified by the terms thereof) to be due and payable immediately, by a notice in writing to the Company (and to the Trustee if given by Holders), and upon any such declaration such principal amount (or specified amount) shall become immediately due and payable. If an Event of Default specified in Section 501(5) or 501(6) with respect to Securities of any series at the time Outstanding occurs, the principal amount of all the Securities of that series (or, if any Securities of that series are Original Issue Discount Securities, such portion of the principal amount of such Securities as may be specified by the terms thereof) shall automatically, and without any declaration or other action on the part of the Trustee or any Holder, become immediately due and payable.

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

- (1) the Company or the Guarantor has paid or deposited with the Trustee a sum sufficient to pay;
 - (a) all overdue interest on all Securities of that series,
 - (b) the principal of (and premium, if any, on) any Securities of that series which have become due otherwise than by such declaration of acceleration and any interest thereon at the rate or rates prescribed therefor in such Securities,
 - (c) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate or rates prescribed therefor in such Securities, and
 - (d) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel; and

- (2) all Events of Default with respect to Securities of that series, other than the non-payment of the principal of Securities of that series which have become due solely by such declaration of acceleration, have been cured or waived as provided in Section 513.

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

503. Collection of Indebtedness and Suits for Enforcement by Trustee. The Company and the Guarantor covenant that if:

- (1) default is made in the payment of any interest on any Security when such interest becomes due and payable and such default continues for a period of 30 days; or
- (2) default is made in the payment of the principal of (or premium, if any, on) any Security whether at the Maturity or upon acceleration or otherwise thereof;

the Company or the Guarantor will, upon demand of the Trustee, pay to it, for the benefit of the Holders of such Securities, the whole amount then due and payable on such Securities for principal and any premium and interest and, to the extent that payment of such interest shall be legally enforceable, interest on any overdue principal and premium and on any overdue interest, at the rate or rates prescribed therefor in such Securities, and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

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

504. Trustee May File Proofs of Claim. In case of any judicial proceeding relative to the Company or the Guarantor (or any other obligor upon the Securities), its property or its creditors, the Trustee shall be entitled and empowered, by intervention in such proceeding or otherwise, to take any and all actions authorized under the Trust Indenture Act in order to have claims of the Holders and the Trustee allowed in any such proceeding. In particular, the Trustee shall be authorized to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 607.

No provision of this Indenture shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding; provided, however, that the Trustee may, on behalf of the Holders, vote for the election of a trustee in bankruptcy or similar official and be a member of a creditors' or other similar committee.

505. Trustee May Enforce Claims Without Possession of Securities. All rights of action and claims under this Indenture or the Securities may be prosecuted and enforced by the Trustee without the possession of any of the Securities or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Securities in respect of which such judgment has been recovered.

506. Application of Money Collected. Any money collected by the Trustee pursuant to this Article shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal or any premium or interest, upon presentation of the Securities and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

FIRST: To the payment of all amounts due the Trustee under Section 607; and

SECOND: To the payment of the amounts then due and unpaid for principal of and any premium and interest on the Securities in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Securities for principal and any premium and interest, respectively.

THIRD: To the Company or any other Person or Persons entitled thereto.

507. Limitation on Suits. No Holder of any Security of any series shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless: (1) such Holder has previously given written notice to the Trustee of a continuing Event of Default with respect to the Securities of that series;

(2) the Holders of not less than 25% in principal amount of the Outstanding Securities of that series shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;

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

- (4) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and
- (5) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of a majority in principal amount of the Outstanding Securities of that series;

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

- 508. Unconditional Right of Holders to Receive Principal, Premium and Interest and to Convert. Notwithstanding any other provision in this Indenture, the Holder of any Security shall have the right, which is absolute and unconditional, to receive payment of the principal of and any premium and (subject to Section 307) interest on such Security on the respective Stated Maturities expressed in such Security (or, in the case of redemption, on the Redemption Date) and to convert such Security in accordance with the provisions in the form of Security of any particular series pursuant to Section 301(9) and to institute suit for the enforcement of any such payment and right to convert, and such rights shall not be impaired without the consent of such Holder.
- 509. Restoration of Rights and Remedies. If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture or any Guarantee and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case, subject to any determination in such proceeding, the Company, the Guarantor, the Trustee and the Holders shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.
- 510. Rights and Remedies Cumulative. Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities in the last paragraph of Section 306, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.
- 511. Delay or Omission Not Waiver. No delay or omission of the Trustee or of any Holder of any Securities to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the

Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

512. Control by Holders. The Holders of a majority in principal amount of the Outstanding Securities of any series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, with respect to the Securities of such series, provided that:

- (1) such direction shall not be in conflict with any rule of law or with this Indenture or any Guarantee;
- (2) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction; and
- (3) subject to the provisions of Section 601, the Trustee shall have the right to decline to follow any such direction if the Trustee in good faith shall, by a Responsible Officer or Officers of the Trustee, determine that the proceeding so directed would involve the Trustee in personal liability.

513. Waiver of Past Defaults. The Holders of not less than a majority in principal amount of the Outstanding Securities of any series may on behalf of the Holders of all the Securities of such series waive any past default hereunder with respect to such series and its consequences, except a default:

- (1) in the payment of the principal of or any premium or interest on any Security of such series, or
- (2) in respect of a covenant or provision hereof which under Section 902 cannot be modified or amended without the consent of the Holder of each Outstanding Security of such series affected.

Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

514. Undertaking for Costs. In any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, a court may require any party litigant in such suit to file an undertaking to pay the costs of such suit, and may assess costs against any such party litigant, in the manner and to the extent provided in the Trust Indenture Act; provided that neither this Section nor the Trust Indenture Act shall be deemed to authorize any court to require such an undertaking or to make such an assessment in any suit instituted by the Company.

515. Waiver of Usury, Stay or Extension Laws. The Company and the Guarantor each covenant (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any

usury, stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture or any Guarantee; and each of the Company and the Guarantor (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE 6
THE TRUSTEE

601. Certain Duties and Responsibilities. The Trustee, prior to the occurrence of an Event of Default and after the curing or waiving of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default to the actual knowledge of a Responsible Officer of the Trustee has occurred, has not been waived and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

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

- (a) prior to the occurrence of an Event of Default and after the curing or waiving of all such Events of Default which may have occurred;
 - (1) the duties and obligations of the Trustee 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
 - (2) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any statements, certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such statements, certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture;
- (b) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer or Responsible Officers of the Trustee, unless it

shall be proved that the Trustee was negligent in ascertaining the pertinent facts; and

- (c) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a majority in principal amount of the Securities at the time outstanding relating to the time, method and place of conducting a 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.

This Section is in furtherance of and subject to Sections 315 and 316 of the Trust Indenture Act.

602. Notice of Defaults. If a default occurs hereunder with respect to Securities of any series, the Trustee shall give the Holders of Securities of such series notice of such default as and to the extent provided by the Trust Indenture Act; provided, however, that in the case of any default of the character specified in Section 501(4) with respect to Securities of such series, no such notice to Holders shall be given until at least 30 days after the occurrence thereof. For the purpose of this Section, the term “default” means any event which is, or after notice or lapse of time or both would become, an Event of Default with respect to Securities of such series.

603. Certain Rights of Trustee. Subject to the provisions of Section 601:

- (1) the 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 or presented by the proper party or parties;
- (2) any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order, and any resolution of the Board of Directors shall be sufficiently evidenced by a Board Resolution;
- (3) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officers’ Certificate;
- (4) the Trustee may consult with counsel and the advice of such counsel or any 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 reliance thereon;

- (5) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders pursuant to this Indenture, unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;
- (6) the Trustee shall not be bound to make any investigation into the facts or matters stated in any 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 Trustee, in its discretion may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled, at reasonable times during normal business hours and upon reasonable advance written notice, to examine the books, records and premises of the Company or the Guarantor (to the extent permitted by applicable governmental security regulations), personally or by agent or attorney at the sole cost and expense of the Company or the Guarantor, as the case may be;
- (7) 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 and the Trustee shall not be responsible for any misconduct or negligence on the part of, or for the supervision of, any agent or attorney appointed with due care by it hereunder;
- (8) in the event the Trustee is also acting as Paying Agent, Authenticating Agent or Security Registrar hereunder, the rights and protections afforded to the Trustee pursuant to this Indenture shall also be afforded to such Paying Agent, Authenticating Agent or Registrar;
- (9) the Trustee shall not be charged with knowledge of an Event of Default unless a Responsible Officer of the Trustee obtains actual knowledge of such event or the Trustee receives written notice of such event from the Company or from Holders of Securities of any series so affected evidencing no less than 51% of the aggregate outstanding principal amount of Securities of such series;
- (10) without prejudice to any other rights available to the Trustee under applicable law, when the Trustee incurs expenses or renders services in connection with an Event of Default specified in Section 501(5) or Section 501(6), such expenses (including the fees and expenses of its counsel) and the compensation for such services are intended to constitute expenses of administration under any bankruptcy or insolvency law;
- (11) in no event shall the Trustee be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if

the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action; and

(12) in no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused by, directly or indirectly, forces beyond its reasonable control that could not be prevented by a reasonable disaster preparedness plan, including without limitation strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software or hardware) services.

604. Not Responsible for Recitals or Issuance of Securities. The recitals contained herein and in the Securities, except the Trustee's certificates of authentication, shall be taken as the statements of the Company and the Guarantor, and neither the Trustee nor any Authenticating Agent assumes any responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities. Neither the Trustee nor any Authenticating Agent shall be accountable for the use or application by the Company of Securities or the proceeds thereof.

605. May Hold Securities. The Trustee, any Authenticating Agent, any Paying Agent, any Security Registrar or any other agent of the Company or the Guarantor, in its individual or any other capacity, may become the owner or pledgee of Securities and, subject to Sections 608 and 613, may otherwise deal with the Company and the Guarantor with the same rights it would have if it were not Trustee, Authenticating Agent, Paying Agent, Security Registrar or such other agent.

606. Money Held in Trust. Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed with the Company.

607. Compensation and Reimbursement. The Company and the Guarantor jointly and severally agree:

- (1) to pay to the Trustee from time to time reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);
- (2) except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith; and
- (3) to indemnify the Trustee and its officers, directors, agents, and employees for, and to hold it and its officers, directors, agents, and employees 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 of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

As security for the performance of the obligations of the Company and the Guarantor under this Section, the Trustee shall have a lien prior to 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.

608. Conflicting Interests. If the Trustee has or shall acquire a conflicting interest within the meaning of the Trust Indenture Act, the Trustee shall either eliminate such interest or resign, to the extent and in the manner provided by, and subject to the provisions of, the Trust Indenture Act and this Indenture. To the extent permitted by such Act, the Trustee shall not be deemed to have a conflicting interest by virtue of being a trustee under this Indenture with respect to Securities of more than one series or under the Indenture dated as of November 21, 2001 between the Guarantor and The Bank of New York Mellon (successor to JPMorgan Chase Bank, N.A. (formerly known as JPMorgan Chase Bank)), as Trustee or under the Indenture dated as of _____, among Northrop Grumman Systems Finance LLC, the Guarantor and The Bank of New York Mellon, as Trustee.

609. Corporate Trustee Required; Eligibility. There shall at all times be a Trustee hereunder, which may be Trustee hereunder for Securities of one or more other series. Each Trustee shall be a Person that is eligible pursuant to the Trust Indenture Act to act as such and has a combined capital and surplus of at least \$50,000,000. If any such Person publishes reports of condition at least annually, pursuant to law or to the requirements of its supervising or examining authority, then for the purposes of this Section and to the extent permitted by the Trust Indenture Act, the combined capital and surplus of such Person shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee with respect to the Securities of any series shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

610. Resignation and Removal; Appointment of Successor. No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee in accordance with the applicable requirements of Section 611.

The Trustee may resign at any time with respect to the Securities of one or more series by giving written notice thereof to the Company. If the instrument of acceptance by a successor Trustee required by Section 611 shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

The Trustee may be removed at any time with respect to the Securities of any series by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series, delivered to the Trustee and to the Company.

If at any time:

- (1) the Trustee shall fail to comply with Section 608 after written request therefor by the Company or by any Holder who has been a bona fide Holder of a Security for at least six months,
- (2) the Trustee shall cease to be eligible under Section 609 and shall fail to resign after written request therefor by the Company or by any such Holder, or
- (3) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation;

then, in any such case, (A) the Company by a Board Resolution may remove the Trustee with respect to all Securities, or (B) subject to Section 514, any Holder who has been a bona fide Holder of a Security 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 with respect to all Securities and the appointment of a successor Trustee or Trustees.

If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, with respect to the Securities of one or more series, the Company, by a Board Resolution, shall promptly appoint a successor Trustee or Trustees with respect to the Securities of that or those series (it being understood that any such successor Trustee may be appointed with respect to the Securities of one or more or all of such series and that at any time there shall be only one Trustee with respect to the Securities of any particular series) and shall comply with the applicable requirements of Section 611. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee with respect to the Securities of any series shall not have been appointed by the Company, a successor Trustee may be appointed by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series delivered to the Company and the retiring Trustee; and the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment in accordance with the applicable requirements of Section 611, become the successor Trustee with respect to the Securities of such series and to that extent supersede the successor Trustee appointed by the Company. If no successor Trustee with respect to the Securities of any series shall have been so appointed by the Company or the Holders and accepted appointment in the manner required by Section 611, any Holder who has been a bona fide Holder of a Security 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 appointment of a successor Trustee with respect to the Securities of such series.

The Company shall give notice of each resignation and each removal of the Trustee with respect to the Securities of any series and each appointment of a successor Trustee with respect to the Securities of any series to all Holders of Securities of such series in the manner provided in Section 106. Each notice shall include the name of the successor Trustee with respect to the Securities of such series and the address of its Corporate Trust Office.

611. Acceptance of Appointment by Successor. In case of the appointment hereunder of a successor Trustee with respect to all Securities, every such successor Trustee so appointed shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on the request of the Company or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder.

In case of the appointment hereunder of a successor Trustee with respect to the Securities of one or more (but not all) series, the Company, the Guarantor, the retiring Trustee and each successor Trustee with respect to the Securities of one or more series shall execute and deliver an indenture supplemental hereto wherein each successor Trustee shall accept such appointment and which (1) shall contain such provisions as shall be necessary or desirable to transfer and confirm to, and to vest in, each successor Trustee all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates, (2) if the retiring Trustee is not retiring with respect to all Securities, shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series as to which the retiring Trustee is not retiring shall continue to be vested in the retiring Trustee, and (3) shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such Trustees co-trustees of the same trust and that each such Trustee shall be trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Trustee; and upon the execution and delivery of such supplemental indenture, the resignation or removal of the retiring Trustee shall become effective to the extent provided therein and each such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates; but, on request of the Company, the Guarantor or any successor Trustee, such retiring Trustee shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder with respect to the Securities of that or those series to which the appointment of such successor Trustee relates.

Upon request of any such successor Trustee, the Company and the Guarantor shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts referred to in the first or second preceding paragraph, as the case may be.

No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article. No trustee hereunder shall be liable for the acts or omissions of any successor Trustee.

612. Merger, Conversion, Consolidation or Succession to Business. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Securities shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Securities so authenticated with the same effect as if such successor Trustee had itself authenticated such Securities.
613. Preferential Collection of Claims Against Company and Guarantor. If and when the Trustee shall be or become a creditor of the Company or the Guarantor (or any other obligor upon the Securities), the Trustee shall be subject to the provisions of the Trust Indenture Act regarding the collection of claims against the Company or the Guarantor (or any such other obligor).
614. Appointment of Authenticating Agent. The Trustee may appoint an Authenticating Agent or Agents with respect to one or more series of Securities which shall be authorized to act on behalf of the Trustee to authenticate Securities of such series issued upon original issue and upon exchange, registration of transfer or partial redemption thereof or pursuant to Section 306, and Securities so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee hereunder. Wherever reference is made in this Indenture to the authentication and delivery of Securities by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include authentication and delivery on behalf of the Trustee by an Authenticating Agent and a certificate of authentication executed on behalf of the Trustee by an Authenticating Agent. Each Authenticating Agent shall be acceptable to the Company and shall at all times be a corporation organized and doing business under the laws of the United States of America, any State thereof or the District of Columbia, authorized under such laws to act as Authenticating Agent, having a combined capital and surplus of not less than \$50,000,000 and subject to supervision or examination by Federal or State authority. If such Authenticating Agent publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such Authenticating Agent shall be deemed to be its

combined capital and surplus as set forth in its most recent report of condition so published. If at any time an Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, such Authenticating Agent shall resign immediately in the manner and with the effect specified in this Section.

Any corporation into which an Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which such Authenticating Agent shall be a party, or any corporation succeeding to the corporate agency or corporate trust business of an Authenticating Agent, shall continue to be an Authenticating Agent, provided such corporation shall be otherwise eligible under this Section, without the execution or filing of any paper or any further act on the part of the Trustee or the Authenticating Agent.

An Authenticating Agent may resign at any time by giving written notice thereof to the Trustee and to the Company. 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 Company. Upon receiving such a notice of resignation or upon such a termination, or in case at any time such Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, the Trustee may appoint a successor Authenticating Agent which shall be acceptable to the Company and shall give notice of such appointment by first-class mail, postage prepaid, to all Holders of Securities of the series with respect to which such Authenticating Agent will serve. Any successor Authenticating Agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an Authenticating Agent. No successor Authenticating Agent shall be appointed unless eligible under the provisions of this Section.

The Company agrees to pay to each Authenticating Agent from time to time reasonable compensation for its services under this Section.

If an appointment with respect to one or more series is made pursuant to this Section, the Securities of such series may have endorsed thereon, in addition to the Trustee's certificate of authentication, an alternative certificate of authentication in the following form:

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

THE BANK OF NEW YORK MELLON, as
Trustee

By: _____
As Authenticating Agent

By: _____
Authorized Signatory

ARTICLE 7
HOLDERS' LISTS AND REPORTS BY TRUSTEE AND COMPANY

701. Company to Furnish Trustee Names and Addresses of Holders. The Company will furnish or cause to be furnished to the Trustee,

- (1) semi-annually, not later than April 15 and October 15 in each year, a list in such form as the Trustee may reasonably require, of the names and addresses of the Holders of Securities of each series as of the preceding April 1 or October 1 as the case may be; and
- (2) at such other times as the Trustee may request in writing, within 30 days after the receipt by the Company of any such request, a list of similar form and content as of a date not more than 15 days prior to the time such list is furnished;

excluding from any such list names and addresses received by the Trustee in its capacity as Security Registrar.

702. Preservation of Information; Communications to Holders. The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Holders contained in the most recent list furnished to the Trustee as provided in Section 701 and the names and addresses of Holders received by the Trustee in its capacity as Security Registrar. The Trustee may destroy any list furnished to it as provided in Section 701 upon receipt of a new list so furnished.

The rights of Holders to communicate with other Holders with respect to their rights under this Indenture or under the Securities, and the corresponding rights and privileges of the Trustee, shall be as provided by the Trust Indenture Act.

Every Holder of Securities, by receiving and holding the same, agrees with the Company, the Guarantor and the Trustee that neither the Company, the Guarantor nor the Trustee nor any agent of either of them shall be held accountable by reason of any disclosure of information as to names and addresses of Holders made pursuant to the Trust Indenture Act.

703. Reports by Trustee. The Trustee shall transmit to the Holders such reports concerning the Trustee and its actions under this Indenture as may be required pursuant to the Trust Indenture Act at the times and in the manner provided pursuant thereto.

Reports so required to be transmitted at stated intervals of not more than 12 months shall be transmitted no later than October 15 in each calendar year, commencing in _____.

A copy of each such report shall, at the time of such transmission to Holders, be filed by the Trustee with each stock exchange upon which any Securities are listed, with the Commission and with the Company. The Company will notify the Trustee when any Securities are listed on any stock exchange.

704. Reports by Company and Guarantor. The Company and the Guarantor shall file with the Trustee and the Commission, and transmit to the Holders, such information, documents and other reports, and such summaries thereof, as may be required pursuant to the Trust Indenture Act at the times and in the manner provided pursuant to such Act; provided that any such information, documents or reports required to be filed with the Commission pursuant to Section 13 or 15(d) of the Exchange Act shall be filed with the Trustee within 15 days after the same is so required to be filed with the Commission.

ARTICLE 8
CONSOLIDATION, MERGER, CONVEYANCE, TRANSFER OR LEASE

801. Company May Consolidate, Etc., Only on Certain Terms. The Company shall not consolidate with or merge into any other Person or convey, transfer or lease its properties and assets substantially as an entirety to any Person, and the Company shall not permit any Person to consolidate with or merge into the Company or convey, transfer or lease its properties and assets substantially as an entirety to the Company, unless:

- (1) in case the Company shall consolidate with or merge into another Person or convey, transfer or lease its properties and assets substantially as an entirety to any Person, the Person formed by such consolidation or into which the Company is merged or the Person which acquires by conveyance or transfer, or which leases, the properties and assets of the Company substantially as an entirety shall be either the Guarantor or a corporation, limited liability company, partnership or trust, shall be organized and validly existing under the laws of the United States of America, any State thereof or the District of Columbia and shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, the due and punctual payment of the principal of and any premium and interest on all the Securities and the performance or observance of every covenant of this Indenture on the part of the Company to be performed or observed;
- (2) immediately after giving effect to such transaction and treating any indebtedness which becomes an obligation of the Company or any Subsidiary as a result of such transaction as having been incurred by the Company or such Subsidiary at the time of such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have happened and be continuing; and
- (3) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, conveyance, transfer or lease and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture comply with this Article and that all conditions precedent herein provided for relating to such transaction have been complied with.

802. Successor Substituted. Upon any consolidation of the Company with, or merger of the Company into, any other Person or any conveyance, transfer or lease of the properties

and assets of the Company substantially as an entirety in accordance with Section 801, the successor Person formed by such consolidation or into which the Company is merged or to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor Person had been named as the Company herein, and thereafter, except in the case of a lease, the predecessor Person shall be relieved of all obligations and covenants under this Indenture and the Securities.

ARTICLE 9
SUPPLEMENTAL INDENTURES

901. Supplemental Indentures Without Consent of Holders. Without the consent of any Holders, the Company and the Guarantor, when authorized by a Board Resolution, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

- (1) to evidence the succession of another Person to the Company or the Guarantor and the assumption by any such successor of the covenants of the Company or the Guarantor herein and in the Securities;
- (2) to add to the covenants of the Company or the Guarantor for the benefit of the Holders of all or any series of Securities (and if such covenants are to be for the benefit of less than all series of Securities, stating that such covenants are expressly being included solely for the benefit of such series) or to surrender any right or power herein conferred upon the Company or the Guarantor;
- (3) to add any additional Events of Default for the benefit of the Holders of all or any series of Securities (and if such additional Events of Default are to be for the benefit of less than all series of Securities, stating that such additional Events of Default are expressly being included solely for the benefit of such series);
- (4) to add to or change any of the provisions of this Indenture to such extent as shall be necessary to permit or facilitate the issuance of Securities in bearer form, registrable or not registrable as to principal, and with or without interest coupons, or to permit or facilitate the issuance of Securities in uncertificated form;
- (5) to add to, change or eliminate any of the provisions of this Indenture in respect to one or more series of Securities, provided that any such addition, change or elimination (A) shall neither (i) apply to any Security or series created prior to the execution of such supplemental indenture and entitled to the benefit of such provision nor (ii) modify the rights of the Holder of any such Security with respect to such provision or (B) shall become effective only when there is no such Security Outstanding;
- (6) to secure the Securities or any Guarantee;

- (7) to establish the form or terms of Securities of any series as permitted by Sections 201 and 301;
- (8) to evidence and provide for the acceptance of appointment hereunder by a successor Trustee with respect to the Securities of one or more series and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, pursuant to the requirements of Section 611;
- (9) to cure any ambiguity, to correct or supplement any provision herein which may be defective or inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Indenture, provided that such action pursuant to this Clause (9) shall not adversely affect the interests of the Holders of Securities of any series in any material respect; or
- (10) to make provisions with respect to the conversion rights of Holders, including providing for the conversion of the Securities into any security or securities of the Company or the Guarantor.

902. Supplemental Indentures with Consent of Holders. With the consent of the Holders of not less than a majority in principal amount of the Outstanding Securities of each series affected by such supplemental indenture, by Act of said Holders delivered to the Company, the Guarantor and the Trustee, the Company and the Guarantor, when authorized by a Board Resolution, and the Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or the Guarantee, or of modifying in any manner the rights of the Holders of Securities of such series under this Indenture or the Guarantee; provided, however, that no such supplemental indenture shall, without the consent of the Holder of each Outstanding Security affected thereby:

- (1) change the Stated Maturity of the principal of, or any installment of principal of or interest on, any Security, or reduce the principal amount thereof or the rate of interest thereon (including any change in the index, indices or formula pursuant to which such rate is determined that would reduce such rate for any period) or any premium payable upon the redemption thereof, change the right to convert any Security in accordance with the provisions in the form of such Security pursuant to Section 301(9) hereof, or reduce the amount of the principal of an Original Issue Discount Security or any other Security which would be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 502, or change any Place of Payment where, or the coin or currency in which, any Security or any premium or interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date) or any such right to convert, or
- (2) reduce the percentage in principal amount of the Outstanding Securities of any series, the consent of whose Holders is required for any such supplemental

indenture, or the consent of whose Holders is required for any waiver (of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences) provided for in this Indenture, or

- (3) modify any of the provisions of this Section, Section 513 or Section 1008, except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Outstanding Security affected thereby; provided, however, that this clause shall not be deemed to require the consent of any Holder with respect to changes in the references to “the Trustee” and concomitant changes in this Section and Section 1008, or the deletion of this proviso, in accordance with the requirements of Sections 611 and 901(8), or
- (4) release the Guarantor from its payment obligations under the Guarantee for any series of Securities.

A supplemental indenture which changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of one or more particular series of Securities, or which modifies the rights of the Holders of Securities of such series with respect to such covenant or other provision, shall be deemed not to affect the rights under this Indenture of the Holders of Securities of any other series.

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

903. Execution of Supplemental Indentures. In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Section 601) shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee’s own rights, duties or immunities under this Indenture or otherwise.

904. Effect of Supplemental Indentures. Upon the execution of any supplemental indenture under this Article, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Securities theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

905. Conformity with Trust Indenture Act. Every supplemental indenture executed pursuant to this Article shall conform to the requirements of the Trust Indenture Act.

906. Reference in Securities to Supplemental Indentures. Securities of any series authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the

Company or the Guarantor shall so determine, new Securities of any series so modified as to conform, in the opinion of the Trustee and the Company and the Guarantor, to any such supplemental indenture may be prepared and executed by the Company, the Guarantees endorsed thereon may be executed by the Guarantor and such Securities may be authenticated and delivered by the Trustee in exchange for Outstanding Securities of such series.

ARTICLE 10
COVENANTS

1001. Payment of Principal, Premium and Interest. The Company covenants and agrees for the benefit of each series of Securities that it will duly and punctually pay the principal of and any premium and interest on the Securities of that series in accordance with the terms of the Securities and this Indenture. The performance by the Guarantor of the obligations of the Company under this Section 1001 shall also be deemed to constitute performance thereof by the Company.

1002. Maintenance of Office or Agency. The Company will maintain in each Place of Payment for any series of Securities an office or agency where Securities of that series may be presented or surrendered for payment, where Securities of that series may be surrendered for registration of transfer or exchange and where notices and demands to or upon the Company in respect of the Securities of that series and this Indenture may be served. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee, and the Company hereby appoints the Trustee as its agent to receive all such presentations, surrenders, notices and demands.

The Company may also from time to time designate one or more other offices or agencies where the Securities of one or more series may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in each Place of Payment for Securities of any series for such purposes. The Company will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

1003. Money for Securities Payments to Be Held in Trust. If the Company or the Guarantor shall at any time act as Paying Agent with respect to any series of Securities, it will, on or before each due date of the principal of or any premium or interest on any of the Securities of that series, segregate and hold in trust for the benefit of the Persons entitled thereto a sum sufficient to pay the principal and any premium and interest so becoming due until such sums shall be paid to such Persons or otherwise disposed of as herein provided and will promptly notify the Trustee of its action or failure so to act.

Whenever the Company shall have one or more Paying Agent for any series of Securities, it will, prior to each due date of the principal of or any premium or interest on any Securities of that series, deposit with a Paying Agent a sum sufficient to pay such amount, such sum to be held as provided by the Trust Indenture Act, and (unless such Paying Agent is the Trustee) the Company will promptly notify the Trustee of its action or failure so to act.

The Company will cause each Paying Agent for any series of Securities other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such Paying Agent will (1) comply with the provisions of the Trust Indenture Act applicable to it as a Paying Agent and (2) during the continuance of any default by the Company or the Guarantor (or any other obligor upon the Securities of that series) in the making of any payment in respect of the Securities of that series, upon the written request of the Trustee, forthwith pay to the Trustee all sums held in trust by such Paying Agent for payment in respect of the Securities of that series.

The Company may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Company Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Company or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Company or such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company or the Guarantor, in trust for the payment of the principal of or any premium or interest on any Security of any series and remaining unclaimed for two years after such principal, premium or interest has become due and payable shall be paid to the Company or the Guarantor, as the case may be, on Company Request, or (if then held by the Company or the Guarantor) shall be discharged from such trust; and the Holder of such Security shall thereafter, as an unsecured general creditor, look only to the Company and the Guarantor for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company or the Guarantor as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in a newspaper published in the English language, customarily published on each Business Day and of general circulation in the Borough of Manhattan, The City of New York, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the Company or the Guarantor, as the case may be.

1004. Statement by Officers as to Default. The Company and the Guarantor will deliver to the Trustee, within 120 days after the end of each fiscal year of the Guarantor ending after the date hereof, an Officers' Certificate stating that a review of the activities of the Company, the Guarantor and the Subsidiaries during the preceding fiscal year has been

made under the supervision of such officers with a view to determining whether the Company and the Guarantor have kept, performed, fulfilled and observed their obligations under this Indenture and stating as to each such officer signing such Officers' Certificate that, to the best of such officers' knowledge, the Company and the Guarantor have kept, observed, performed and fulfilled each and every covenant contained in this Indenture and is not in default in the performance and observance of any of the terms, provisions and conditions of this Indenture (without regard to any period of grace or requirement of notice provided hereunder) and, if the Company and/or the Guarantor is in default, specifying all such defaults and the nature and status thereof of which such officer may have knowledge.

The Company and the Guarantor will, so long as any of the Securities are outstanding, deliver to the Trustee forthwith upon becoming aware of (i) an Event of Default or default in the performance of a covenant or agreement or condition contained in this Indenture or (ii) any default or Event of Default of the type provided for herein specifying such default or Event of Default, notice of such default or Event of Default.

1005. Existence. Subject to Article Eight and Article Fourteen, each of the Company and the Guarantor will do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights (charter and statutory) and franchises and the existence, rights (charter and statutory) and franchises of the Subsidiaries; provided, however, that neither the Company nor the Guarantor shall be required to preserve any such right or franchise if the Board of Directors thereof shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company or Guarantor, as the case may be, and that the loss thereof is not disadvantageous in any material respect to the Holders.
1006. Maintenance of Properties. Each of the Company and Guarantor will cause all properties used or useful in the conduct of its business or the business of any Subsidiary to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment and will cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the judgment of the Company or the Guarantor, as the case may be, may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times; provided, however, that nothing in this Section shall prevent the Company or the Guarantor, as the case may be, from discontinuing the operation or maintenance of any of such properties if such discontinuance is, in the judgment of the Company or the Guarantor, as the case may be, desirable in the conduct of its business or the business of any Subsidiary and not disadvantageous in any material respect to the Holders.
1007. Payment of Taxes and Other Claims. Each of the Company and Guarantor will pay or discharge or cause to be paid or discharged, before the same shall become delinquent, (1) all taxes, assessments and governmental charges levied or imposed upon the Company or the Guarantor, as the case may be, or any Subsidiary or upon the income, profits or property of the Company, the Guarantor or any Subsidiary, and (2) all lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien upon the property of the Company, the Guarantor or any Subsidiary; provided, however, that the

Company and Guarantor, as the case may be, shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings.

1008. Waiver of Certain Covenants. Except as otherwise specified as contemplated by Section 301 for Securities of such series, the Company or the Guarantor, as the case may be, may, with respect to the Securities of any series, omit in any particular instance to comply with any term, provision or condition set forth in Section 1009 or 1010 with respect to the Securities of such series or in any covenant provided pursuant to Section 301(19), 901(2) or 901(7) for the benefit of the Holders of such series, if before the time for such compliance the Holders of at least a majority in principal amount of the Outstanding Securities of such series shall, by Act of such Holders, either waive such compliance in such instance or generally waive compliance with such term, provision or condition, but no such waiver shall extend to or affect such term, provision or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Company and the Guarantor and the duties of the Trustee in respect of any such term, provision or condition shall remain in full force and effect.

1009. Limitation on Liens.

(a) The Guarantor will not, and will not permit any Restricted Subsidiary to, create, incur, assume or guarantee any indebtedness for money borrowed (hereinafter in Sections 1009 and 1010 referred to as "Debt"), secured by a mortgage, security interest, pledge, lien, charge or similar encumbrance (mortgages, security interests, pledges, liens, charges and other encumbrances, hereinafter in Sections 1009 and 1010 referred to as a "Mortgage") upon any Principal Property of the Guarantor or any Restricted Subsidiary or upon any shares of stock or indebtedness or any Restricted Subsidiary (whether such Principal Property, shares of stock or indebtedness are now owned or hereafter acquired) without in any such case effectively providing concurrently with the issuance, assumption or guaranty of any such Debt that the Guarantees of the Outstanding Securities (together with, if the Guarantor shall so determine, any other indebtedness of or guarantee by the Guarantor or such Restricted Subsidiary ranking equally with the Guarantees of the Outstanding Securities and then existing or thereafter created) shall be secured equally and ratably with such Debt; provided, however, that the foregoing restrictions shall not apply to Debt secured by:

- (1) Mortgages on property, shares of stock or indebtedness of any corporation existing at the time such corporation becomes a Restricted Subsidiary;
- (2) Mortgages on property existing at the time of acquisition of such property by the Guarantor or a Restricted Subsidiary, Mortgages to secure the payment of all or any part of the purchase price of such property incurred prior to, at the time of, or within 180 days after

the acquisition of such property by the Guarantor or a Restricted Subsidiary, or Mortgages to secure any Debt incurred prior to, at the time of, or within 180 days after the completion of construction or commencement of full operation of any property for the purpose of financing all or any part of the cost to the Guarantor or a Restricted Subsidiary of improvements to such property;

- (3) Mortgages securing Debt of a Restricted Subsidiary owing to the Guarantor or to another Restricted Subsidiary;
 - (4) Mortgages existing at the date of this Indenture;
 - (5) Mortgages on property of a corporation existing at the time such corporation is merged into or consolidated with the Guarantor or a Restricted Subsidiary or at the time of a sale, lease or other disposition of the properties of a corporation as an entirety or substantially as an entirety to the Guarantor or a Restricted Subsidiary;
 - (6) Mortgages on property of the Guarantor or a Restricted Subsidiary in favor of the United States of America or any State thereof, or any department, agency, instrumentality or political subdivision thereof, to secure any payments, including advance or progress payments, pursuant to any contract or statute or to secure any indebtedness incurred or guaranteed for the purpose of financing all or any part of the purchase price or the cost of construction of the property subject to such Mortgages (including, but not limited to, Mortgages incurred in connection with pollution control bonds, industrial revenue bonds or similar financings); or
 - (7) any extension, renewal or replacement (or successive extensions, renewals or replacements), in whole or in part, of any Mortgage referred to in the foregoing clauses (1) to (6), inclusive; provided, however, that such extension, renewal or replacement shall be limited to all or a part of the property which secured the Mortgage so extended, renewed or replaced (plus improvements on such property).
- (b) Notwithstanding the foregoing provisions of this Section 1009, the Guarantor and any one or more Restricted Subsidiaries may issue, assume or guarantee Debt secured by a Mortgage which would otherwise be subject to the foregoing restrictions in an aggregate amount which, together with all other outstanding Debt of the Guarantor and its Restricted Subsidiaries which (if originally issued, assumed or guaranteed at such time) would otherwise be subject to the foregoing restrictions (not including Debt permitted to be secured under clauses (1) through (7) above), does not at the time exceed the greater of \$1,000,000,000 or 10%

of Consolidated Net Tangible Assets of the Guarantor and its consolidated Subsidiaries as shown on the most recent consolidated financial statements of the Guarantor and its consolidated Subsidiaries.

1010. Limitation on Sale and Lease-Back. The Guarantor will not, nor will it permit any Restricted Subsidiary to, enter into any arrangement with any Person that provides for the leasing to the Guarantor or any Restricted Subsidiary of any Principal Property (except for leases for a term of not more than three years and except for leases between the Guarantor and a Restricted Subsidiary or between Restricted Subsidiaries), which Principal Property has been or is to be sold or transferred by the Guarantor or such Restricted Subsidiary to such person, unless (a) the Guarantor or such Restricted Subsidiary would be entitled, pursuant to the provisions of Section 1009, to issue, assume or guarantee Debt secured by a Mortgage upon such Principal Property at least equal in the amount to the Attributable Debt in respect of such arrangement without equally and ratably securing the Guarantees of the Outstanding Securities; provided, however, that from and after the date on which such arrangement becomes effective the Attributable Debt in respect of such arrangement shall be deemed for all purposes under Sections 1009 and 1010 to be Debt subject to the provisions of Section 1009, or (b) the Guarantor shall apply an amount in cash equal to the greater of the net proceeds of such sale or the Attributable Debt in respect of such an arrangement to the retirement (other than any mandatory retirement or by way or payment at maturity), within 120 days of the effective date of any such arrangement, of Debt (except as otherwise provided by the terms of any series of Outstanding Securities) of the Guarantor or any Restricted Subsidiary (other than the Debt owed by the Company or any Restricted Subsidiary to the Guarantor or any Restricted Subsidiary) which by its terms matures at or is extendible or renewable at the opinion of the obligor to a date more than twelve months after the date of the creation of such Debt.

For the purposes of this Section 1010, the term "Attributable Debt" means, at the time of determination, the lesser of (a) the fair market value of such property (as determined by the Board of Directors of the Guarantor) or (b) the present value (discounted at the rate implicit in the terms of the relevant lease) of the obligation of the lessee for net rental payments during the remaining term of the lease (including any period for which such lease has been extended).

ARTICLE 11 REDEMPTION OF SECURITIES

1101. Applicability of Article. Securities of any series which are redeemable before their Stated Maturity shall be redeemable in accordance with their terms and (except as otherwise specified as contemplated by Section 301(7) or (8) for such Securities) in accordance with this Article.

1102. Election to Redeem; Notice to Trustee. The election of the Company to redeem any Securities shall be evidenced by a Board Resolution or in another manner specified as contemplated by Section 301(7) for such Securities. In case of any redemption at the election of the Company of less than all the Securities of any series (including any such

redemption affecting only a single Security), the Company shall, at least 60 days prior to the Redemption Date fixed by the Company (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee in writing of such Redemption Date, of the principal amount of Securities of such series to be redeemed and, if applicable, of the tenor of the Securities to be redeemed. In the case of any redemption of Securities (a) prior to the expiration of any restriction on such redemption provided in the terms of such Securities or elsewhere in this Indenture, or (b) pursuant to an election of the Company which is subject to a condition specified in the terms of such Securities or elsewhere in this Indenture, the Company shall furnish the Trustee with an Officers' Certificate evidencing compliance with such restriction or condition.

1103. Selection by Trustee of Securities to Be Redeemed. If less than all the Securities of any series are to be redeemed (unless all the Securities of such series and of a specified tenor are to be redeemed or unless such redemption affects only a single Security), the particular Securities to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Trustee, from the Outstanding Securities of such series not previously called for redemption, by such method as the Trustee shall deem fair and appropriate and which may provide for the selection for redemption of a portion of the principal amount of any Security of such series, provided that the unredeemed portion of the principal amount of any Security shall be in an authorized denomination (which shall not be less than the minimum authorized denomination) for such Security. If less than all the Securities of such series and of a specified tenor are to be redeemed (unless such redemption affects only a single Security), the particular Securities to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Trustee, from the Outstanding Securities of such series and specified tenor not previously called for redemption in accordance with the preceding sentence.

The Trustee shall promptly notify the Company in writing of the Securities selected for redemption as aforesaid and, in case of any Securities selected for partial redemption as aforesaid, the principal amount thereof to be redeemed.

The provisions of the two preceding paragraphs shall not apply with respect to any redemption affecting only a single Security, whether such Security is to be redeemed in whole or in part. In the case of any such redemption in part, the unredeemed portion of the principal amount of the Security shall be in an authorized denomination (which shall not be less than the minimum authorized denomination) for such Security.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Securities shall relate, in the case of any Securities redeemed or to be redeemed only in part, to the portion of the principal amount of such Securities which has been or is to be redeemed.

1104. Notice of Redemption. Notice of redemption shall be given by first-class mail, postage prepaid, mailed not less than 30 nor more than 60 days prior to the Redemption Date, to each Holder of Securities to be redeemed, at his address appearing in the Security Register.

All notices of redemption shall state:

- (1) the Redemption Date,
- (2) the Redemption Price, or if not then ascertainable, the manner of calculation thereof,
- (3) if less than all the Outstanding Securities of any series consisting of more than a single Security are to be redeemed, the identification (and, in the case of partial redemption of any such Securities, the principal amounts) of the particular Securities to be redeemed and, if less than all the Outstanding Securities of any series consisting of a single Security are to be redeemed, the principal amount of the particular Security to be redeemed,
- (4) that on the Redemption Date the Redemption Price will become due and payable upon each such Security to be redeemed and, if applicable, that interest thereon will cease to accrue on and after said date,
- (5) the place or places where each such Security is to be surrendered for payment of the Redemption Price, and
- (6) that the redemption is for a sinking fund, if such is the case.

Notice of redemption of Securities to be redeemed at the election of the Company shall be given by the Company or, at the Company's request, by the Trustee in the name and at the expense of the Company.

1105. Deposit of Redemption Price. Prior to any Redemption Date, the Company shall deposit with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 1003) an amount of money sufficient to pay the Redemption Price of, and (except if the Redemption Date shall be an Interest Payment Date) accrued interest on, all the Securities which are to be redeemed on that date.
1106. Securities Payable on Redemption Date. Notice of redemption having been given as aforesaid, the Securities so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Company shall default in the payment of the Redemption Price and accrued interest) such Securities shall cease to bear interest. Upon surrender of any such Security for redemption in accordance with said notice, such Security shall be paid by the Company at the Redemption Price, together with accrued interest to the Redemption Date; provided, however, that, unless otherwise specified as contemplated by Section 301, installments of interest whose Stated Maturity is on or prior to the Redemption Date will be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such at the close of business on the relevant Record Dates according to their terms and the provisions of Section 307.

If any Security called for redemption shall not be so paid upon surrender thereof for redemption, the principal and any premium shall, until paid, bear interest from the Redemption Date at the rate prescribed therefor in the Security.

1107. Securities Redeemed in Part. Any Security which is to be redeemed only in part shall be surrendered at a Place of Payment therefor (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing), and the Company shall execute, and the Trustee shall authenticate and deliver to the Holder of such Security without service charge, a new Security or Securities of the same series and of like tenor, of any authorized denomination as requested by such Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Security so surrendered.

ARTICLE 12 SINKING FUNDS

1201. Applicability of Article. The provisions of this Article shall be applicable to any sinking fund for the retirement of Securities of any series except as otherwise specified as contemplated by Section 301 for such Securities.

The minimum amount of any sinking fund payment provided for by the terms of any Securities is herein referred to as a “mandatory sinking fund payment”, and any payment in excess of such minimum amount provided for by the terms of such Securities is herein referred to as an “optional sinking fund payment”. If provided for by the terms of any Securities, the cash amount of any sinking fund payment may be subject to reduction as provided in Section 1202. Each sinking fund payment shall be applied to the redemption of Securities as provided for by the terms of such Securities.

1202. Satisfaction of Sinking Fund Payments with Securities. The Company (1) may deliver Outstanding Securities of a series (other than any previously called for redemption) and (2) may apply as a credit Securities of a series which have been redeemed either at the election of the Company pursuant to the terms of such Securities or through the application of permitted optional sinking fund payments pursuant to the terms of such Securities, in each case in satisfaction of all or any part of any sinking fund payment with respect to any Securities of such series required to be made pursuant to the terms of such Securities as and to the extent provided for by the terms of such Securities; provided that the Securities to be so credited have not been previously so credited. The Securities to be so credited shall be received and credited for such purpose by the Trustee at the Redemption Price, as specified in the Securities so to be redeemed, for redemption through operation of the sinking fund and the amount of such sinking fund payment shall be reduced accordingly.

1203. Redemption of Securities for Sinking Fund. Not less than 60 days prior to each sinking fund payment date for any Securities, the Company will deliver to the Trustee an Officers’ Certificate specifying the amount of the next ensuing sinking fund payment for such Securities pursuant to the terms of such Securities, the portion thereof, if any, which

is to be satisfied by payment of cash and the portion thereof, if any, which is to be satisfied by delivering and crediting Securities pursuant to Section 1202 and stating the basis for such credit and that such Securities have not been previously so credited and will also deliver to the Trustee any Securities to be so delivered. Not less than 30 days prior to each such sinking fund payment date, the Trustee shall select the Securities to be redeemed upon such sinking fund payment date in the manner specified in Section 1103 and cause notice of the redemption thereof to be given in the name of and at the expense of the Company in the manner provided in Section 1104. Such notice having been duly given, the redemption of such Securities shall be made upon the terms and in the manner stated in Sections 1106 and 1107.

ARTICLE 13
DEFEASANCE AND COVENANT DEFEASANCE

1301. Applicability of Article; Company's Option to Effect Defeasance or Covenant Defeasance. Unless otherwise provided with respect to a series of Securities pursuant to Section 301, this Article Thirteen shall be applicable to the Securities of such series, and the Company may at its option by Board Resolution, at any time, with respect to the Securities of such series, elect to have either Section 1302 (if applicable) or Section 1303 (if applicable) be applied to the Outstanding Securities of such series upon compliance with the conditions set forth below in this Article Thirteen.
1302. Defeasance and Discharge. Upon the Company's exercise of its option (if any) to have this Section applied to any Securities or any series of Securities, as the case may be, each of the Company and the Guarantor shall be deemed to have been discharged from its obligations with respect to such Securities (and any related Guarantee) as provided in this Section on and after the date the conditions set forth in Section 1304 are satisfied (hereinafter called "Defeasance"). For this purpose, such Defeasance means that the Company and the Guarantor shall be deemed to have paid and discharged the entire indebtedness represented by such Securities (and any related Guarantee) and to have satisfied all its other obligations under such Securities, the related Guarantee and this Indenture insofar as such Securities (and any such related Guarantee) are concerned (and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging the same), subject to the following which shall survive until otherwise terminated or discharged hereunder: (1) the rights of Holders of such Securities to receive, solely from the trust fund described in Section 1304 and as more fully set forth in such Section, payments in respect of the principal of and any premium and interest on such Securities when payments are due, (2) the Company's obligations with respect to such Securities under Sections 304, 305, 306, 1002 and 1003, (3) the rights, powers, trusts, duties and immunities of the Trustee hereunder, and (4) this Article. Subject to compliance with this Article, the Company may exercise its option (if any) to have this Section applied to any Securities notwithstanding the prior exercise of its option (if any) to have Section 1303 applied to such Securities.
1303. Covenant Defeasance. Upon the Company's exercise of its option (if any) to have this Section applied to any Securities or any series of Securities, as the case may be, (1) each of the Company and the Guarantor shall be released from its obligations under Sections

1006, 1007, 1009 and 1010 (and any other Sections or covenants applicable to such Securities that are determined pursuant to Section 301 to be subject to this provision), and any covenants provided pursuant to Section 301(19), 901(2) or 901(7) for the benefit of the Holders of such Securities, and (2) the occurrence of any event specified in Section 501(4) (with respect to Sections 1006, 1007, 1009 and 1010 and any other Sections or covenants applicable to such Securities that are determined pursuant to Section 301 to be subject to this provision, and any such covenants provided pursuant to Sections 301(19), 901(2) or 901(7)) and 501(8) shall be deemed not to be or result in an Event of Default, in each case with respect to such Securities as provided in this Section on and after the date the conditions set forth in Section 1304 are satisfied (hereinafter called "Covenant Defeasance"). For this purpose, such Covenant Defeasance means that, with respect to such Securities (and any related Guarantee), the Company and the Guarantor may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such specified Section (to the extent so specified in the case of Section 501(4)), whether directly or indirectly by reason of any reference elsewhere herein to any such Section or Article or by reason of any reference in any such Section or Article to any other provision herein or in any other document, but the remainder of this Indenture and such Securities (and any related Guarantee) shall be unaffected thereby.

1304. Conditions to Defeasance or Covenant Defeasance. The following shall be the conditions to the application of Section 1302 or Section 1303 to any Securities or any series of Securities, as the case may be:

- (1) The Company or the Guarantor shall irrevocably have deposited or caused to be deposited with the Trustee (or another trustee which satisfies the requirements contemplated by Section 609 and agrees to comply with the provisions of this Article applicable to it) as trust funds in trust for the purpose of making the following payments, specifically pledged as security for, and dedicated solely to, the benefit of the Holders of such Securities, (A) in the case of Securities of such series denominated in U.S. dollars, (i) money in an amount, (ii) U.S. Government Obligations that through the scheduled payment of principal and interest in respect thereof in accordance with their terms will provide, not later than one day before the due date of any payment, money in an amount, or (iii) a combination thereof, in each case sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay and discharge, and which shall be applied by the Trustee (or any such other qualifying trustee) to pay and discharge, the principal of and any premium and interest on such Securities on the respective Stated Maturities or on the applicable Redemption Date or Dates, in accordance with the terms of this Indenture and such Securities. As used herein, "U.S. Government Obligation" means (x) any security that is (i) a direct obligation of the United States of America for the payment of which the full faith and credit of the United States of America is pledged or (ii) an obligation 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 (i) or (ii), is not callable or redeemable at the option of the issuer thereof, and (y) any

depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act) as custodian with respect to any U.S. Government Obligation which is specified in Clause (x) above and held by such bank for the account of the holder of such depository receipt, or with respect to any specific payment of principal of or interest on any U.S. Government Obligation which is so specified and held, 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 principal or interest evidenced by such depository receipt; or (B) in the case of Securities of such series denominated in a currency other than the U.S. dollar, (i) money in such currency in an amount, or (ii) Foreign Government Obligations that through the scheduled payment of principal and interest in respect thereof in accordance with their terms will provide, not later than one day before the due date of any payment, money in such currency in an amount, or (iii) a combination thereof, in each case sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay and discharge, and which shall be applied by the Trustee (or any such other qualifying trustee) to pay and discharge, the principal of and any premium and interest on the Securities of such series on the respective Stated Maturities or on the applicable Redemption Date or Dates, in accordance with the terms of this Indenture and the Securities of such series. As used herein, "Foreign Government Obligation" means (x) any security that is (i) a direct obligation of the government that issued such currency for the payment of which full faith and credit of such government is pledged or (ii) an obligation of a Person controlled or supervised by and acting as an agency or instrumentality for such government the payment of which is unconditionally guaranteed as a full faith and credit obligation by such government, which, in either case (i) or (ii), is not callable or redeemable at the option of the issuer thereof, and (y) any depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act) as custodian with respect to any Foreign Government Obligation which is specified in clause (x) and held by such bank for the account of the holder of such depository receipt, or with respect to any specific payment of principal of or interest on any such Foreign Government Obligation which is so specified and held, 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 Foreign Government Obligation or the specific payment of principal or interest evidenced by such depository receipt.

- (2) In the event of an election to have Section 1302 apply to any Securities or any series of Securities, as the case may be, the Company or the Guarantor shall have delivered to the Trustee an Opinion of Counsel stating that (A) the Company or the Guarantor, as the case may be, has received from, or there has been published by, the Internal Revenue Service a ruling or (B) since the date of this instrument, there has been a change in the applicable Federal income tax law, in either case (A) or (B) to the effect that, and based thereon such opinion shall confirm that, the Holders of such Securities will not recognize gain or loss for Federal income tax

purposes as a result of the deposit, Defeasance and discharge to be effected with respect to such Securities and will be subject to Federal income tax on the same amount, in the same manner and at the same times as would be the case if such deposit, Defeasance and discharge were not to occur.

- (3) In the event of an election to have Section 1303 apply to any Securities or any series of Securities, as the case may be, the Company or the Guarantor shall have delivered to the Trustee an Opinion of Counsel to the effect that the Holders of such Securities will not recognize gain or loss for Federal income tax purposes as a result of the deposit and Covenant Defeasance to be effected with respect to such Securities and will be subject to Federal income tax on the same amount, in the same manner and at the same times as would be the case if such deposit and Covenant Defeasance were not to occur.
- (4) The Company or the Guarantor shall have delivered to the Trustee an Officers' Certificate to the effect that neither such Securities nor any other Securities of the same series, if then listed on any securities exchange, will be delisted as a result of such deposit.
- (5) No event which is, or after notice or lapse of time or both would become, an Event of Default with respect to such Securities or any other Securities shall have occurred and be continuing at the time of such deposit or, with regard to any such event specified in Sections 501(5) and (6), at any time on or prior to the 90th day after the date of such deposit (it being understood that this condition shall not be deemed satisfied until after such 90th day).
- (6) Such Defeasance or Covenant Defeasance shall not cause the Trustee to have a conflicting interest within the meaning of the Trust Indenture Act (assuming all Securities are in default within the meaning of such Act).
- (7) Such Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under, any other agreement or instrument to which the Company is a party or by which it is bound.
- (8) Such Defeasance or Covenant Defeasance shall not result in the trust arising from such deposit constituting an investment company within the meaning of the Investment Company Act unless such trust shall be registered under such Act or exempt from registration thereunder.
- (9) If the Securities are to be redeemed prior to the Stated Maturity (other than from mandatory sinking fund payments or analogous payments), notice of such redemption shall have been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee shall have been made.
- (10) The Company or the Guarantor shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent with respect to such Defeasance or Covenant Defeasance have been complied with.

1305. Deposited Money and U.S. Government Obligations to Be Held in Trust; Miscellaneous Provisions. Subject to the provisions of the last paragraph of Section 1003, all money and U.S. Government Obligations or Foreign Government Obligations (including the proceeds thereof) deposited with the Trustee or other qualifying trustee (solely for purposes of this Section and Section 1306, the Trustee and any such other trustee are referred to collectively as the "Trustee") pursuant to Section 1304 in respect of any Securities shall be held in trust and applied by the Trustee, in accordance with the provisions of such Securities and this Indenture, to the payment, either directly or through any such Paying Agent (including the Company or the Guarantor acting as Paying Agent) as the Trustee may determine, to the Holders of such Securities, of all sums due and to become due thereon in respect of principal and any premium and interest, but money so held in trust need not be segregated from other funds except to the extent required by law.

The Company and Guarantor jointly and severally agree to pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the U.S. Government Obligations or Foreign Government Obligations deposited pursuant to Section 1304 or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of Outstanding Securities.

Anything in this Article to the contrary notwithstanding, the Trustee shall deliver or pay to the Company or the Guarantor from time to time upon Company Request any money or U.S. Government Obligations or Foreign Government Obligations held by it as provided in Section 1304 with respect to any Securities that, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, are in excess of an amount thereof which would then be required to be deposited to effect the Defeasance or Covenant Defeasance, as the case may be, with respect to such Securities.

1306. Reinstatement. If the Trustee or the Paying Agent is unable to apply any money in accordance with this Article with respect to any Securities by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the obligations under this Indenture and such Securities from which the Company and the Guarantor have been discharged or released pursuant to Section 1302 or 1303 shall be revived and reinstated as though no deposit had occurred pursuant to this Article with respect to such Securities, until such time as the Trustee or Paying Agent is permitted to apply all money held in trust pursuant to Section 1305 with respect to such Securities in accordance with this Article; provided, however, that if the Company or Guarantor makes any payment of principal of or any premium or interest on any such Security following such reinstatement of its obligations, the Company or the Guarantor, as the case may be, shall be subrogated to the rights (if any) of the Holders of such Securities to receive such payment from the money so held in trust.

1307. Qualifying Trustee. Any trustee appointed pursuant to Section 1304 hereof for the purpose of holding trust funds deposited pursuant to that Section shall be appointed under an agreement in form acceptable to the Trustee and shall provide to the Trustee a certificate of such trustee, upon which certificate the Trustee shall be entitled to

conclusively rely, that all conditions precedent provided for herein to the related Defeasance or Covenant Defeasance have been complied with. In no event shall the Trustee be liable for any acts or omissions of said trustee.

ARTICLE 14
GUARANTEE

1401. **Guarantee.** The Guarantor hereby irrevocably and unconditionally guarantees, as a primary obligor and not merely as a surety, to the Trustee and to each Holder (1) the full and punctual payment when due, whether at Maturity, by acceleration, by redemption or otherwise, of all obligations of the Company under this Indenture (including obligations to the Trustee) and the Securities, whether for payment of principal, interest, or premium, if any, on, the Securities, the payment of any sinking fund payment, if any, provided for with respect to any such Security and all other monetary obligations of the Company under this Indenture and the Securities, and (2) the full and punctual performance within applicable grace periods of all other obligations of the Company whether for fees, expenses, indemnification or otherwise under this Indenture and the Securities (all the foregoing being herein collectively called the “Guaranteed Obligations”); and the Guarantor hereby agrees to pay any and all expenses (including reasonable counsel fees and expenses) incurred by such Holder or the Trustee in enforcing any rights under this Guarantee. Without limiting the generality of the foregoing, the Guarantor’s liability shall extend to all amounts that constitute part of the Guaranteed Obligations and would be owed by the Company to such Holder or the Trustee under the Securities or this Indenture but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving the Company because it is the intention of the Guarantor, the Trustee and the Holders that the Guaranteed Obligations should be determined without regard to any rule of law or order that might relieve the Company of any portion of the Guaranteed Obligations. The Guarantor further agrees that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice to or further assent from the Guarantor, and that the Guarantor shall remain bound under this Article notwithstanding any extension or renewal of any Guaranteed Obligation. The Guarantee shall be substantially as set forth in Section 206 hereof.

Notwithstanding anything to the contrary in this Agreement, the Guarantor, and the Trustee and each Holder by accepting the benefits of this Guarantee, each hereby confirms that it is its respective intention that the guarantee by the Guarantor pursuant to this Guarantee, shall not constitute a fraudulent transfer or conveyance for purposes of any applicable provisions of Title 11 of the United States Code, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act, or any similar federal or state law. To effectuate the foregoing intention, the Trustee, the Holders and the Guarantor hereby irrevocably agree that the obligations of the Guarantor will be limited to the maximum amount which, after giving effect to all other contingent and fixed liabilities of the Guarantor, will result in the obligations of the Guarantor under its Guarantee not constituting a fraudulent conveyance or fraudulent transfer under federal or state law. Until such time as the Securities of any series are paid in full, the Guarantor, with respect to such series of Securities, hereby waives all rights of subrogation, whether arising by

contract or operation of law (including, without limitation, any such right arising under federal bankruptcy law) or otherwise by reason of any payment by it pursuant to the provisions of this Article.

1402. Guarantee Absolute. The Guarantor guarantees that the Guaranteed Obligations will be paid or performed strictly in accordance with the terms of the Securities and this Indenture, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of any Holder with respect thereto. The obligations of the Guarantor under this Guarantee are independent of the Guaranteed Obligations, and a separate action or actions may be brought and prosecuted against the Guarantor to enforce this Guarantee, irrespective of whether any action is brought against the Company or whether the Company is joined in any such action or actions. The liability of the Guarantor under this Guarantee shall be absolute and unconditional irrespective of:

- (1) any lack of validity or enforceability of the Securities or this Indenture or any agreement or instrument relating to the Securities or this Indenture or any failure of any Holder or the Trustee to assert any claim or demand or to enforce the provisions thereof;
- (2) any renewal, extension or other change in the time, manner or place of payment or performance of, or in any other term of, all or any of the Guaranteed Obligations, or any other amendment or waiver of or any consent to the departure from the Securities or this Indenture;
- (3) any settlement, compromise, release or discharge, or acceptance or refusal of any offer of performance with respect to, or any substitution for, the Guaranteed Obligations or any agreement related thereto and/or any subordination of the payment of the same to the payment of any other obligations;
- (4) any taking, exchange, release or non-perfection of any mortgage, lien, pledge, claim, charge, security interest or encumbrance of any kind, whether or not filed, recorded or otherwise perfected under applicable law in any real or personal property as collateral to secure payment or performance of any or all of the Guaranteed Obligations, whether now or hereafter granted, or any taking, release, amendment, waiver of, or consent to the departure from any other guarantee, for all or any of the Guaranteed Obligations;
- (5) any manner of application of any collateral, or proceeds thereof, to all or any of the Guaranteed Obligations, or any manner of sale or other disposition of any collateral or any other assets of the Company;
- (6) any assignment, pledge or other transfer of any indebtedness or any evidence thereof;
- (7) any change, restructuring or termination of the corporate structure or existence of the Company; or

- (8) any other circumstance (including, without limitation, any statute of limitations) that might otherwise constitute a defense available to, or a discharge of, the Company or the Guarantor of the Guaranteed Obligations.

This Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations is rescinded or must otherwise be returned by any Holder or the Trustee upon the insolvency, bankruptcy or reorganization of the Company or for any other reason, all as though such payment had not been made. The Guarantor further agrees, to the fullest extent that it may lawfully do so, that, as between such Guarantor on the one hand, and the Holders and the Trustee, on the other hand, (i) the maturity of the obligations guaranteed hereby may be accelerated as provided in Section 502 of this Indenture for the purposes of this Guarantee, notwithstanding any stay, injunction or other prohibition extant under any applicable bankruptcy law preventing such acceleration in respect of the obligations guaranteed hereby, and (ii) in the event of any declarations of acceleration of such obligations as provided in Section 502 of this Indenture, such obligations (whether or not due and payable) shall forthwith become due and payable by the Guarantor for the purpose of this Guarantee.

In furtherance of the foregoing and not in limitation of any other right which any Holder or the Trustee has at law or in equity against the Guarantor by virtue hereof, upon the failure of the Company to pay the principal of or interest on any Guaranteed Obligation when and as the same shall become due, whether at maturity, by acceleration, by redemption or otherwise, or to perform or comply with any other Guaranteed Obligation, the Guarantor, hereby promises to and shall, upon receipt of written demand by the Trustee, forthwith pay, or cause to be paid, in cash, to the Holders or the Trustee an amount equal to the sum of (1) the unpaid principal amount of such Guaranteed Obligations, (2) accrued and unpaid interest on such Guaranteed Obligations (but only to the extent not prohibited by law) and (3) all other monetary obligations of the Company to the Holders and the Trustee. The Guarantor hereby agrees that in the event of a default by it in payment of the principal or interest on any Guaranteed Obligation, whether at maturity, by acceleration, by redemption or otherwise, legal proceedings may be instituted by the Trustee on behalf of the Holders or, subject to Section 507, by the Holders, on the terms and conditions set forth in this Indenture, directly against the Guarantor to enforce the Guarantee without first proceeding against the Company. The Guarantor agrees that this Guarantee is a guaranty of payment and not of collection.

Upon request of the Trustee, the Guarantor shall execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purposes of this Indenture.

1403. Waiver. The Guarantor hereby waives:

- (1) promptness, diligence, presentment, notice of acceptance and any other notice with respect to any of the Guaranteed Obligations and this Guarantee;

- (2) any requirement to file any claims with a court in the event of merger or bankruptcy of the Company or any guarantor of the Guaranteed Obligations;
- (3) any right to require a proceeding first against the Company or any other guarantor of the Guaranteed Obligations;
- (4) the benefit of discussion or protest or notice with respect to any of the Securities or the indebtedness evidenced thereby;
- (5) any requirement that any Holder or the Trustee protect, secure, perfect or insure any lien or any collateral or exhaust any right or take any action against the Company or any other Person or any collateral, including the right to which the Guarantor may be entitled to have the assets of the Company first be used and depleted as payment of the Company's or such Guarantor's obligations hereunder prior to any amounts being claimed from or paid by the Guarantor hereunder;
- (6) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of the Company;
- (7) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in any other respects more burdensome than that of the principal;
- (8) any defense based upon any errors or omissions of the Trustee or the Holders' administration of the Guaranteed Obligations; and
- (9) any rights to set-offs, recoupments and counterclaims

1404. Financial Condition of the Company. The Guarantor represents and warrants that it presently is informed of the financial condition of the Company and of all other circumstances which a diligent inquiry would reveal and which bear upon the risk of nonpayment of the Guaranteed Obligations. The Guarantor hereby covenants that it will continue to keep itself reasonably informed of the Company's financial condition and of all other circumstances which bear upon the risk of nonpayment and hereby waives any duty on the part of the Trustee or any Holder to disclose or discuss with the Guarantor its assessment, or the Guarantor's assessment, of the financial condition of the Company.

1405. Subrogation. The Guarantor will not exercise any rights that it may acquire by way of subrogation under this Guarantee, by any payment made hereunder or otherwise, until all the Guaranteed Obligations shall have been indefeasibly paid in full in cash. If any amount shall be paid to the Guarantor on account of any such subrogation rights at any time when all the Guaranteed Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of the Holders and the Trustee and shall forthwith be paid to the Trustee, on behalf of the Holders, to be credited and applied to the Guaranteed Obligations, whether matured or unmatured.

1406. Modifications and/or Amendments. Except as otherwise provided in this Indenture, no modification, amendment or waiver of any provision of this Article, nor the consent to

any departure by the Guarantor therefrom, shall in any event be effective unless the same shall be in writing and signed by the Trustee, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the Guarantor in any case shall entitle the Guarantor to any other or further notice or demand in the same, similar or other circumstances.

1407. No Waiver, Remedies. No failure on the part of any Holder or the Trustee to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.
1408. Continuing Guarantee. This Guarantee is a continuing guarantee and shall (a) subject to reinstatement as provided for in Section 1403, remain in full force and effect until the payment in full (including deemed payment resulting in defeasance and discharge of the Company pursuant to Article Thirteen of this Indenture) of all Guaranteed Obligations and all other amounts payable under this Guarantee, (b) be binding upon the Guarantor and its permitted successors and assigns and (c) inure to the benefit of and be enforceable as provided herein by each Holder and the Trustee and their respective successors, transferees and assigns.
1409. Consolidation, Merger, Conveyance, Transfer or Lease. The Guarantor shall not consolidate with or merge into any other Person or convey, transfer or lease its properties and assets substantially as an entirety to any Person, unless:
- (1) the corporation formed by such consolidation or into which the Guarantor is merged or the Person which acquires by conveyance or transfer, or which leases, the properties and assets of the Guarantor substantially as an entirety shall be a corporation, partnership, limited liability company or trust, shall be organized and validly existing under the laws of the United States of America, any State thereof or the District of Columbia and shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, the Guaranteed Obligations and the performance or observance of every covenant of this Indenture on the part of the Guarantor to be performed or observed;
 - (2) immediately after giving effect to such transaction and treating any indebtedness which becomes an obligation of the successor Guarantor as a result of such transaction as having been incurred by the successor Guarantor at the time of such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have happened and be continuing; and
 - (3) the Guarantor has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, conveyance, transfer or lease and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture comply with this Article and that all

conditions precedent herein provided for relating to such transaction have been complied with.

1410. Successor Substituted. Upon any consolidation of the Guarantor with, or merger of the Guarantor into, any other Person or any conveyance, transfer or lease of the properties and assets of the Guarantor substantially as an entirety in accordance with Section 1409, the successor Person formed by such consolidation or into which the Guarantor is merged or to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Guarantor under this Indenture with the same effect as if such successor Person had been named as the Guarantor herein, and thereafter, except in the case of a lease, the predecessor Person shall be relieved of all obligations and covenants under this Indenture, the Securities and the Guarantee.
1411. Transfer of Guarantee. The Guarantor hereby acknowledges that any agreement, instrument or document evidencing the Guarantee may be transferred and that the benefit of its obligations hereunder shall extend to each holder of any agreement, instrument or document evidencing the Guarantee without notice to the Guarantor.
1412. Non-Impairment. The Guarantor hereby agrees that the Guarantee as set forth in Section 206 hereof shall remain in full force and effect notwithstanding any failure to endorse on each Security a notation relating to the Guarantee. The Guarantee on the Securities shall be executed on behalf of the Guarantor by its Chief Executive Officer, its Chief Operating Officer, its President, its Chief Financial Officer, its Treasurer, or one of its Vice Presidents. The signature of any of these officers on the Guarantee on the Securities may be manual or facsimile. If any officer of the Guarantor, whose signature is on this Indenture or a Guarantee endorsed on a Security no longer holds office at the time the Trustee authenticates such Security or at any time thereafter, the validity of the Guarantee of such Security shall not be affected or impaired.

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

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, all as of the day and year first above written.

NORTHROP GRUMMAN S&MS FINANCE LLC, as
Issuer

By: _____
Name:
Title:

NORTHROP GRUMMAN CORPORATION, as
Guarantor

By: _____
Name:
Title:

THE BANK OF NEW YORK MELLON, as Trustee

By: _____
Name:
Title:

NORTHROP GRUMMAN SYSTEMS FINANCE, LLC, ISSUER
NORTHROP GRUMMAN CORPORATION, GUARANTOR
TO
THE BANK OF NEW YORK MELLON, TRUSTEE

INDENTURE

Dated as of _____, ____

SENIOR DEBT SECURITIES

NORTHROP GRUMMAN SYSTEMS FINANCE, LLC
and
NORTHROP GRUMMAN CORPORATION

Reconciliation and tie between Trust Indenture Act of 1939
and this Indenture

Section of Trust Indenture <u>Act of 1939</u>		Section(s) of <u>Indenture</u>
§ 310	(a)(1)	609
	(a)(2)	609
	(a)(3)	Not Applicable
	(a)(4)	Not Applicable
	(a)(5)	609
	(b)	608, 610
	(c)	Not Applicable
§311	(a)	613
	(b)	613
	(c)	Not Applicable
§ 312	(a)	701, 702
	(b)	702
	(c)	702
§313	(a)	703
	(b)	703
	(c)	703
	(d)	703
§ 314	(a)	704, 1004
	(b)	Not Applicable
	(c)(1)	102
	(c)(2)	102
	(c)(3)	Not Applicable
	(d)	Not Applicable
	(e)	102
	(f)	102, 704, 1004
§315	(a)	601
	(b)	602
	(c)	601
	(d)	601
	(e)	514
§ 316	(a)(1)(A)	512
	(a)(1)(B)	513
	(a)(2)	Not Applicable
	(a)(last sentence)	101
	(b)	508
	(c)	104
§317	(a)(1)	503
	(a)(2)	504
	(b)	1003
§318	(a)	107

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

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INDENTURE dated as of _____, _____ among NORTHROP GRUMMAN SYSTEMS FINANCE, LLC, a limited liability company duly organized and existing under the laws of the State of Delaware (herein called the "Company"), having its principal office at 1840 Century Park East, Los Angeles, California 90067, NORTHROP GRUMMAN CORPORATION, a corporation duly organized and existing under the laws of the State of Delaware (herein called the "Guarantor"), having its principal office at 1840 Century Park East, Los Angeles, California 90067, and THE BANK OF NEW YORK MELLON, a corporation duly organized and existing under the laws of the State of New York, as Trustee (herein called the "Trustee"), having its Corporate Trust Office at 101 Barclay Street, New York, NY 10286.

RECITALS OF THE COMPANY

The Company has duly authorized the execution and delivery of this Indenture to provide for the issuance from time to time of its unsecured debentures, notes or other evidences of indebtedness (herein called the "Securities"), to be issued in one or more series as this Indenture provides.

The Guarantor has duly authorized the execution and delivery of this Indenture to provide for the Guarantee (as defined herein) of the Securities to be issued by the Company under this Indenture.

All things necessary to make this Indenture a valid agreement of the Company and the Guarantor, in accordance with its terms, have been done.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

For and in consideration of the promises and the purchase of the Securities by the Holders thereof, it is mutually agreed, for the equal and proportionate benefit of all Holders of the Securities or of series thereof, as follows:

ARTICLE 1 DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

101. Definitions. For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

- (1) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;
- (2) all other terms used herein which are defined in the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them therein;
- (3) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles, and, except as otherwise herein expressly provided, the term "generally accepted accounting principles" with respect to any computation required or permitted hereunder shall mean such accounting principles as are generally accepted at the date hereof;

- (4) unless the context otherwise requires, any reference to an “Article” or a “Section” or “Clause” refers to an Article or a Section or Clause, as the case may be, of this Indenture; and
- (5) the words “herein,” “hereof,” and “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

“Act,” when used with respect to any Holder, has the meaning specified in Section 104.

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

“Attributable Debt” has the meaning specified in Section 1010.

“Authenticating Agent” means any Person authorized by the Trustee pursuant to Section 614 to act on behalf of the Trustee to authenticate Securities of one or more series.

“Board of Directors” or “Board” means either the board of managers of the Company or the board of directors of the Guarantor, as the case may be, or any duly authorized committee of that board.

“Board Resolution” means (i) a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company or the Guarantor, as the case may be, to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, or (ii) a certificate signed by the authorized officer or officers of the Company or Guarantor to whom the Board of Directors of the Company or the Guarantor, as the case may be, has delegated its authority, and in each case, delivered to the Trustee.

“Business Day,” when used with respect to any Place of Payment, means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in that Place of Payment are authorized or obligated by law or executive order to close.

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

“Company” means the Person named as the “Company” in the first paragraph of this instrument until a successor Person shall have become such pursuant to the applicable

provisions of this Indenture, and thereafter “Company” shall mean such successor Person.

“Company Request” or “Company Order” means a written request or order signed in the name of the Company by its Chairman of the Board, its Vice Chairman of the Board, its President or a Vice President, and by its Treasurer, an Assistant Treasurer, its Secretary or an Assistant Secretary, and delivered to the Trustee.

“Consolidated Net Tangible Assets” means, as of any particular time, the aggregate amount of assets (less applicable reserves and properly deductible items) after deducting therefrom (a) all current liabilities except for (i) notes and loans payable, (ii) current maturities of long-term debt, (iii) current maturities of obligations under capital leases, and (iv) deferred income taxes and (b) all goodwill, tradenames, trademarks, patents, unamortized debt discount and expenses (to the extent included in said aggregate amount of assets) and other like intangibles, all as set forth on the most recent quarterly or annual consolidated balance sheet of the Guarantor and its consolidated Subsidiaries and computed in accordance with generally accepted accounting principles.

“Corporate Trust Office” means the office of the Trustee or agent of the Trustee, at which at any particular time the corporate trust business of the Trustee or such agent shall be principally administered, which office at the date hereof is located at 101 Barclay Street, New York, NY 10286.

“corporation” means a corporation, association, company, joint-stock company or business trust.

“Covenant Defeasance” has the meaning specified in Section 1303.

“Debt,” for purposes of Sections 1009 and 1010, shall have the meaning ascribed that term in Section 1009.

“Defaulted Interest” has the meaning specified in Section 307.

“Defeasance” has the meaning specified in Section 1302.

“Depository” means, with respect to Securities of any series issuable in whole or in part in the form of one or more Global Securities, a clearing agency registered under the Exchange Act that is designated to act as Depository for such Securities as contemplated by Section 301.

“Event of Default” has the meaning specified in Section 501.

“Exchange Act” means the Securities Exchange Act of 1934 and any statute successor thereto, in each case as amended from time to time.

“Expiration Date” has the meaning specified in Section 104.

“Foreign Government Obligation” has the meaning specified in Section 1304.

“Guarantee” means the guarantee of the Company’s obligations under the Securities of any applicable series by the Guarantor under this Indenture.

“Guaranteed Obligations” has the meaning specified in Section 1401.

“Guarantor” means the Person named as the “Guarantor” in the first paragraph of this Indenture until a successor Person shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Guarantor” shall mean such successor Person.

“Global Security” means a Security that evidences all or part of the Securities of any series and bears the legend set forth in Section 204 (or such legend as may be specified as contemplated by Section 301 for such Securities).

“Holder” means a Person in whose name a Security is registered in the Security Register.

“Indenture” means this instrument as originally executed and as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof, including, for all purposes of this instrument and any such supplemental indenture, the provisions of the Trust Indenture Act that are deemed to be a part of and govern this instrument and any such supplemental indenture, respectively. The term “Indenture” shall also include the terms of particular series of Securities established as contemplated by Section 301.

“interest,” when used with respect to an Original Issue Discount Security which by its terms bears interest only after Maturity, means interest payable after Maturity.

“Interest Payment Date,” when used with respect to any Security, means the Stated Maturity of an installment of interest on such Security.

“Investment Company Act” means the Investment Company Act of 1940 and any statute successor thereto, in each case as amended from time to time.

“Maturity,” when used with respect to any Security, means the date on which the principal of such Security or an installment of principal becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration, call for redemption or otherwise.

“Mortgage” has the meaning ascribed that term in Section 1009.

“Notice of Default” means a written notice of the kind specified in Section 501(4).

“Officers’ Certificate” means a certificate signed by the Chairman of the Board, a Vice Chairman of the Board, the President or a Vice President, and by the Treasurer, an Assistant Treasurer, the Secretary or an Assistant Secretary, of the Company or the Guarantor, as the case may be, and delivered to the Trustee.

“Opinion of Counsel” means a written opinion of counsel, who may be counsel for the Company or Guarantor, and who shall be acceptable to the Trustee.

“Original Issue Discount Security” means any Security which provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 502.

“Outstanding,” when used with respect to Securities, means, as of the date of determination, all Securities theretofore authenticated and delivered under this Indenture, except:

- (1) Securities theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;
- (2) Securities for whose payment or redemption money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent (other than the Company or Guarantor) in trust or set aside and segregated in trust by the Company or the Guarantor (if the Company or the Guarantor shall act as Paying Agent) for the Holders of such Securities; provided that, if such Securities are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made;
- (3) Securities as to which Defeasance has been effected pursuant to Section 1302; and
- (4) Securities which have been paid pursuant to Section 306 or in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to this Indenture, other than any such Securities in respect of which there shall have been presented to the Trustee proof satisfactory to it that such Securities are held by a bona fide purchaser in whose hands such Securities are valid obligations of the Company;

provided, however, that in determining whether the Holders of the requisite principal amount of the Outstanding Securities have given, made or taken any request, demand, authorization, direction, notice, consent, waiver or other action hereunder as of any date, (A) the principal amount of an Original Issue Discount Security which shall be deemed to be Outstanding shall be the amount of the principal thereof which would be due and payable as of such date upon acceleration of the Maturity thereof to such date pursuant to Section 502, (B) if, as of such date, the principal amount payable at the Stated Maturity of a Security is not determinable, the principal amount of such Security which shall be deemed to be Outstanding shall be the amount as specified or determined as contemplated by Section 301(15), (C) the principal amount of a Security denominated in one or more foreign currencies or currency units which shall be deemed to be Outstanding shall be the U.S. dollar equivalent, determined as of such date in the manner provided as contemplated by Section 301, of the principal amount of such Security (or, in the case of a Security described in Clause (A) or (B) above, of the amount determined as provided in such Clause), and (D) Securities owned by the Company, the Guarantor or any other obligor upon the Securities or any Affiliate of the Company, the Guarantor or

of such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent, waiver or other action, only Securities which a Responsible Officer of the Trustee actually knows to be so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Company, the Guarantor or any other obligor upon the Securities or any Affiliate of the Company, the Guarantor or of such other obligor.

“Paying Agent” means any Person authorized by the Company to pay the principal of or any premium or interest on any Securities on behalf of the Company.

“Person” means any individual, corporation, limited liability company, partnership, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

“Place of Payment,” when used with respect to the Securities of any series, means the place or places where the principal of any premium and interest on the Securities of that series are payable as specified as contemplated by Section 301(6).

“Predecessor Security” of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security; and, for the purposes of this definition, any Security authenticated and delivered under Section 306 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Security shall be deemed to evidence the same debt as the mutilated, destroyed, lost or stolen Security.

“Principal Property” means any manufacturing plant or manufacturing facility which is (i) owned by the Guarantor or any Restricted Subsidiary and (ii) located within the continental United States of America, except any such plant which, in the opinion of the Board of Directors of the Guarantor, is not of material importance to the total business conducted by the Guarantor and the Restricted Subsidiaries taken as a whole.

“Redemption Date,” when used with respect to any Security to be redeemed, means the date fixed for such redemption by or pursuant to this Indenture.

“Redemption Price,” when used with respect to any Security to be redeemed, means the price at which it is to be redeemed pursuant to this Indenture.

“Regular Record Date” for the interest payable on any Interest Payment Date on the Securities of any series means the date specified for that purpose as contemplated by Section 301.

“Responsible Officer,” when used with respect to the Trustee, means any officer within the Corporate Trust Office of the Trustee including any vice president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, the cashier, any assistant cashier, any trust officer, any senior trust officer or assistant trust officer or any other officer of

the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“Restricted Subsidiary” means any Subsidiary of the Guarantor except any Subsidiary substantially all of the assets of which are located, or substantially all of the business of which is carried on, outside of the United States of America, or any Subsidiary substantially all of the assets of which consist of stock or other securities of such a Subsidiary.

“Securities” has the meaning stated in the first recital of this Indenture and more particularly means any Securities authenticated and delivered under this Indenture.

“Securities Act” means the Securities Act of 1933 and any statute successor thereto, in each case as amended from time to time.

“Security Register” and “Security Registrar” have the respective meanings specified in Section 305.

“Special Record Date” for the payment of any Defaulted Interest means a date fixed by the Trustee pursuant to Section 307.

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

“Subsidiary” means a corporation more than 50% of the outstanding voting stock of which is owned, directly or indirectly, by the Guarantor or by one or more other Subsidiaries, or by the Guarantor and one or more other Subsidiaries. For the purposes of this definition, “voting stock” means stock which ordinarily has voting power for the election of directors, whether at all times or only so long as no senior class of stock has such voting power by reason of any contingency.

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

“Trustee” means the Person named as the “Trustee” in the first paragraph of this instrument until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Trustee” shall mean or include each Person who is then a Trustee hereunder, 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 Securities of that series.

“U.S. Government Obligation” has the meaning specified in Section 1304.

“Vice President,” when used with respect to the Company, the Guarantor or the Trustee, means any vice president, whether or not designated by a number or a word or words added before or after the title “Vice President.”

102. Compliance Certificates and Opinions. Upon any application or request by the Company or the Guarantor to the Trustee to take any action under any provision of this Indenture, the Company or the Guarantor shall furnish to the Trustee such certificates and opinions as may be required under the Trust Indenture Act. Each such certificate or opinion shall be given in the form of an Officers’ Certificate, if to be given by an officer of the Company or the Guarantor, or an Opinion of Counsel, if to be given by counsel, and shall comply with the requirements of the Trust Indenture Act and any other requirements set forth in this Indenture.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture (other than the Officers’ Certificate provided for in Section 1004 hereof) shall include:

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

103. 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.

Any certificate or opinion of an officer of the Company or the Guarantor may be based, insofar as it relates to legal matters, upon an opinion of counsel, unless such officer knows, or in the exercise of reasonable care should know, that the opinion with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate or opinion of counsel may be based, insofar as it relates to factual matters, upon a certificate of, or representations by, an officer or officers of the Company or Guarantor stating that the information with respect to such factual matters is in the possession of the Company or Guarantor, unless such counsel knows, or in the exercise

of reasonable care should know, that the certificate or representations with respect to such matters are erroneous.

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

104. Acts of Holders; Record Dates. Any request, demand, authorization, direction, notice, consent, waiver or other action provided or permitted by this Indenture to be given, made or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders 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 and, where it is hereby expressly required, to the Company or the Guarantor. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the “Act” of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 601) conclusive in favor of the Trustee, the Company and the Guarantor, if made in the manner provided in this Section.

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

The ownership of Securities shall be proved by the Security Register.

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

The Company may set any day as a record date for the purpose of determining the Holders of Outstanding Securities of any series entitled to give, make or take any request, demand, authorization, direction, notice, consent, waiver or other action provided or permitted by this Indenture to be given, made or taken by Holders of Securities of such series, provided that the Company may not set a record date for, and the provisions of this paragraph shall not apply with respect to, the giving or making of any notice, declaration, request or direction referred to in the next paragraph. If any record date is set pursuant to

this paragraph, the Holders of Outstanding Securities of the relevant series on such record date, and no other Holders, shall be entitled to take the relevant action, whether or not such Holders remain Holders after such record date; provided that no such action shall be effective hereunder unless taken on or prior to the applicable Expiration Date by Holders of the requisite principal amount of Outstanding Securities of such series on such record date. Nothing in this paragraph shall be construed to prevent the Company from setting a new record date for any action for which a record date has previously been set pursuant to this paragraph (whereupon the record date previously set shall automatically and with no action by any Person be cancelled and of no effect), and nothing in this paragraph shall be construed to render ineffective any action taken by Holders of the requisite principal amount of Outstanding Securities of the relevant series on the date such action is taken. Promptly after any record date is set pursuant to this paragraph, the Company, at its own expense, shall cause notice of such record date, the proposed action by Holders and the applicable Expiration Date to be given to the Trustee in writing and to each Holder of Securities of the relevant series in the manner set forth in Section 106.

The Trustee may set any day as a record date for the purpose of determining the Holders of Outstanding Securities of any series entitled to join in the giving or making of (i) any Notice of Default, (ii) any declaration of acceleration referred to in Section 502, (iii) any request to institute proceedings referred to in Section 507(2) or (iv) any direction referred to in Section 512, in each case with respect to Securities of such series. If any record date is set pursuant to this paragraph, the Holders of Outstanding Securities of such series on such record date, and no other Holders, shall be entitled to join in such notice, declaration, request or direction, whether or not such Holders remain Holders after such record date; provided that no such action shall be effective hereunder unless taken on or prior to the applicable Expiration Date by Holders of the requisite principal amount of Outstanding Securities of such series on such record date. Nothing in this paragraph shall be construed to prevent the Trustee from setting a new record date for any action for which a record date has previously been set pursuant to this paragraph (whereupon the record date previously set shall automatically and with no action by any Person be cancelled and of no effect), and nothing in this paragraph shall be construed to render ineffective any action taken by Holders of the requisite principal amount of Outstanding Securities of the relevant series on the date such action is taken. Promptly after any record date is set pursuant to this paragraph, the Trustee, at the Company's expense, shall cause notice of such record date, the proposed action by Holders and the applicable Expiration Date to be given to the Company in writing and to each Holder of Securities of the relevant series in the manner set forth in Section 106.

With respect to any record date set pursuant to this Section, the party hereto which sets such record dates may designate any date as the "Expiration Date" and from time to time may change the Expiration Date to any earlier or later day; provided that no such change shall be effective unless notice of the proposed new Expiration Date is given to the other party hereto in writing, and to each Holder of Securities of the relevant series in the manner set forth in Section 106, on or prior to the existing Expiration Date. If an Expiration Date is not designated with respect to any record date set pursuant to this Section, the party hereto which sets such record date shall be deemed to have initially designated the 180th day after such record date as the Expiration Date with respect

thereto, subject to its right to change the Expiration Date as provided in this paragraph. Notwithstanding the foregoing, no Expiration Date shall be later than the 180th day after the applicable record date.

Without limiting the foregoing, a Holder entitled hereunder to give or take any action hereunder with regard to any particular Security may do so with regard to all or any part of the principal amount of such Security or by one or more duly appointed agents each of which may do so pursuant to such appointment with regard to all or any part of such principal amount.

105. Notices, Etc., to Trustee, Company and Guarantor. Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with,

- (1) the Trustee by any Holder or by the Company or the Guarantor shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the Trustee at 101 Barclay Street, New York, NY 10286 Attn: Corporate Finance, or at any other address previously furnished in writing to the Company and the Holders by the Trustee,
- (2) the Company or the Guarantor by the Trustee or by any Holder shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to the Company or the Guarantor, as the case may be, addressed to it at the address of its principal office specified in the first paragraph of this instrument, Attn. Secretary, or at any other address previously furnished in writing to the Trustee by the Company or the Guarantor.

106. Notice to Holders; Waiver. Where this Indenture provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Holder affected by such event, at his address as it appears in the Security Register, not later than the latest date (if any), and not earlier than the earliest date (if any), prescribed for the giving of such notice. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

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

107. Conflict with Trust Indenture Act. If any provision hereof limits, qualifies or conflicts with a provision of the Trust Indenture Act that is required under such Act to be a part of and govern this Indenture, the latter provision shall control. If any provision of this Indenture modifies or excludes any provision of the Trust Indenture Act that may be so modified or excluded, the latter provision shall be deemed to apply to this Indenture as so modified or to be excluded, as the case may be.
108. Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.
109. Successors and Assigns. All covenants and agreements in this Indenture by the Company or the Guarantor shall bind its successors and assigns, whether so expressed or not.
110. Separability Clause. In case any provision in this Indenture or in the Securities or in any Guarantee shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.
111. Benefits of Indenture. Nothing in this Indenture or in the Securities or in any Guarantee, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder and the Holders, any benefit or any legal or equitable right, remedy or claim under this Indenture.
112. Governing Law. This Indenture, the Securities and any Guarantee shall be governed by and construed in accordance with the law of the State of New York, without regard to principles of conflicts of laws.
113. Legal Holidays. In any case where any Interest Payment Date, Redemption Date or Stated Maturity of any Security shall not be a Business Day at any Place of Payment, then (notwithstanding any other provision of this Indenture or of the Securities (other than a provision of any Security that specifically states that such provision shall apply in lieu of this Section)) payment of interest or principal (and premium, if any) need not be made at such Place of Payment on such date, but may be made on the next succeeding Business Day at such Place of Payment with the same force and effect as if made on the Interest Payment Date or Redemption Date, or at the Stated Maturity, provided, that no interest shall accrue with respect to such payment for the period from and after such Interest Payment Date, Redemption Date or Stated Maturity, as the case may be.

ARTICLE 2
SECURITY FORMS

201. Forms Generally. The Securities of each series shall be in substantially the form set forth in this Article, or in such other form as shall be established by or pursuant to a Board Resolution of the Company 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 such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be

required to comply with the rules of any securities exchange or as may, consistently herewith, be determined by the officers executing such Securities, as evidenced by their execution thereof. If the form of Securities of any series is established by action taken pursuant to a Board Resolution of the Company, a copy of an appropriate record of such action shall be certified by the Secretary or an Assistant Secretary of the Company and delivered to the Trustee at or prior to the delivery of the Company Order contemplated by Section 303 for the authentication and delivery of such Securities.

Subject to Section 901(4), 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.

202. Form of Face of Security. {Insert any legend required by the Securities Act or the Internal Revenue Code or the regulations thereunder.}

NORTHROP GRUMMAN SYSTEMS FINANCE, LLC
fully and unconditionally guaranteed by
NORTHROP GRUMMAN CORPORATION

No. _____

\$ _____

CUSIP _____

Northrop Grumman Systems Finance, LLC, a limited liability company duly organized and existing under the laws of Delaware (herein called the "Company," which term includes any successor Person under the Indenture hereinafter referred to), for value received, hereby promises to pay to _____, or registered assigns, the principal sum of _____ {Dollars} {if other than Dollars, substitute other currency or currency units} on _____ {If the Security is to bear interest prior to Maturity, insert -- and to pay interest thereon from _____ or from the most recent Interest Payment Date to which interest has been paid or duly provided for, {semi-annually on _____ and _____ in each year} {if other than semi-annual interest at a fixed rate, insert -- frequency of payments and payment dates}, commencing _____ at {If the Security is to bear interest at a fixed rate, insert -- the rate of _____% per annum} {if the Security is to bear interest at a rate determined with reference to one or more formula, refer to description of index below}, until the principal hereof is paid or made available for payment {If applicable, insert --, provided that any principal and premium, and any such installment of interest, which is overdue shall bear interest at the rate of _____% per annum (to the extent that the payment of such interest shall be legally enforceable), from the dates such amounts are due until they are paid or made available for payment, and such interest shall be payable on demand.} Interest shall

be computed on the basis of a 360-day year of twelve 30-day months. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the _____ day (whether or not a Business Day) next preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the Payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture.}

{If the Securities are securities with respect to which the principal of or any premium or interest may be determined with reference to one or more indices or formulas, insert the text of such indices or formulas.}

{If the Security is not to bear interest prior to Maturity, insert -- The principal of this Security shall not bear interest except in the case of a default in payment of principal upon acceleration, upon redemption or at Stated Maturity and in such case the overdue principal and any overdue premium shall bear interest at the rate of _____% per annum (to the extent that the payment of such interest shall be legally enforceable), from the dates such amounts are due until they are paid or made available for payment. Interest on any overdue principal or premium shall be payable on demand. {Any such interest on overdue principal or premium which is not paid on demand shall bear interest at the rate of _____% per annum (to the extent that the payment of such interest on interest shall be legally enforceable), from the date of such demand until the amount so demanded is paid or made available for payment. Interest on any overdue interest shall be payable on demand.}}

Payment of the principal of (and premium, if any) and {if applicable, insert -- any such} interest on this Security will be made at the office or agency of the Company maintained for that purpose in _____ in such coin or currency {of the United States of America} {if the Security is denominated in a currency other than U.S. dollars, specify other currency or currency unit in which payment of the principal or any premium or interest may be made} as at the time of payment is legal tender for payment of public and private debts {if applicable, insert --; provided, however, that at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register or by wire transfer to an account maintained by the Person entitled thereto as specified in the Security Register.}

This Security is fully and unconditionally guaranteed by Northrop Grumman Corporation, a corporation duly organized and existing under the laws of the State of Delaware (the "Guarantor").

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

Dated: _____

NORTHROP GRUMMAN SYSTEMS FINANCE LLC

By _____

203. Form of Reverse of Security. This Security is one of a duly authorized issue of securities of the Company (herein called the "Securities"), issued and to be issued in one or more series under an Indenture, dated as of _____, _____ (herein called the "Indenture", which term shall have the meaning assigned to it in such instrument), among the Company, the Guarantor and The Bank of New York Mellon, as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), and reference is hereby made to the Indenture for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Guarantor, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be authenticated and delivered. This Security is one of the series designated on the face hereof {if applicable, insert -- {initially} limited in aggregate principal amount to \$_____}. {The Securities are {unsecured general obligations of the Company.}}

{If applicable, insert -- The securities of this series are subject to redemption upon not less than 30 days' notice by mail, {If applicable, insert -- (1) on _____ in any year commencing with the year _____ and ending with the year _____ through operation of the sinking fund for this series at a Redemption Price equal to 100% of the principal amount, and (2)} at any time {if applicable, insert -- on or after _____, _____}, as a whole or in part, at the election of the Company, at the following Redemption Prices (expressed as percentages of the principal amount), if redeemed {if applicable, insert -- on or before _____, _____% and if redeemed} during the 12-month period beginning the _____ day of _____ of the years indicated,

<u>Year</u>	<u>Redemption Price</u>	<u>Year</u>	<u>Redemption Price</u>
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and thereafter at a Redemption Price equal to _____% of the principal amount, together in the case of any such redemption {if applicable, insert -- (whether through operation of the sinking fund or otherwise)} with accrued interest to the Redemption Date, but interest installments whose Stated Maturity is on or prior to such Redemption Date will be payable to the Holders of such Securities, or one or more Predecessor Securities, of record at the close of business on the relevant Record Dates referred to on the face hereof, all as provided in the Indenture.}

{If applicable, insert -- The Securities of this series are subject to redemption upon not less than 30 days' notice by mail, (1) on _____ in any year commencing with the year _____ and ending with the year _____ through operation of the sinking fund for this series at the Redemption Prices for redemption through operation of the sinking fund (expressed as percentages of the principal amount) set forth in the table below, and (2) at any time {if applicable, insert -- on or after _____, as a whole or in part, at the election of the Company, at the Redemption Prices for redemption otherwise than through operation of the sinking fund (expressed as percentages of the principal amount) set forth in the table below: If redeemed during the 12-month period beginning the _____ day of _____ of the years indicated,

<u>Year</u>	<u>Redemption Price For Redemption Through Operation Of The Sinking Fund</u>	<u>Redemption Price For Redemption Otherwise Than Through Operation Of The Sinking Fund</u>
-------------	--	---

and thereafter at a Redemption Price equal to _____% of the principal amount, together in the case of any such redemption (whether through operation of the sinking fund or otherwise) with accrued interest to the Redemption Date, but interest installments whose Stated Maturity is on or prior to such Redemption Date will be payable to the Holders of such Securities, or one or more Predecessor Securities, of record at the close of business on the relevant Record Dates referred to on the face hereof, all as provided in the Indenture.}

{If applicable, insert -- Notwithstanding the foregoing, the Company may not, prior to _____ redeem any Securities of this series as contemplated by {if applicable, insert -- Clause (2) of the preceding paragraph as a part of, or in anticipation of, any refunding operation by the application, directly or indirectly, of moneys borrowed having an interest cost to the Company (calculated in accordance with generally accepted financial practice) of less than _____% per annum.}

{If applicable, insert -- The sinking fund for this series provides for the redemption on _____ in each year beginning with the year _____ and ending with the year _____ of {if applicable, insert -- not less than \$_____

("mandatory sinking fund") and not more than} \$_____ aggregate principal amount of Securities of this series. Securities of this series acquired or redeemed by the Company otherwise than through {if applicable, insert -- mandatory} sinking fund payments may be credited against subsequent {if applicable, insert -- mandatory} {sinking fund payments otherwise required to be made {if applicable, insert --, in the inverse order in which they become due}.}

{If the Security is subject to redemption of any kind, insert -- In the event of redemption of this Security in part only, a new Security or Securities of this series and of like tenor for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.}

{If the Security is not subject to redemption of any kind, insert -- This Security is not redeemable prior to the Stated Maturity.}

{If applicable, insert -- The Indenture contains provisions for defeasance at any time of {the entire indebtedness of this Security} {or} {certain restrictive covenants and Events of Default with respect to this Security} {, in each case} upon compliance with certain conditions set forth in the Indenture.}

{If the Security is convertible into securities of the Company, specify the conversion features.}

{If the Security is not an Original Issue Discount Security, insert -- If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.}

{If the Security is an Original Issue Discount Security, insert -- If an Event of Default with respect to Securities of this series shall occur and be continuing, an amount of principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture. Such amount shall be equal to {insert -- formula for determining the amount.} Upon payment (i) of the amount of principal so declared due and payable and (ii) of interest on any overdue principal, premium and interest (in each case to the extent that the payment of such interest shall be legally enforceable), all of the Company's obligations in respect of the payment of the principal of and premium and interest, if any, on the Securities of this series shall terminate.}

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the Guarantor and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company, the Guarantor and the Trustee with the consent of the Holders of a majority in principal amount of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company or the Guarantor with certain provisions of

the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Securities of this series, the Holders of not less than 25% in principal amount of the Securities of this series at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee reasonable indemnity, and the Trustee shall not have received from the Holders of a majority in principal amount of Securities of this series at the time Outstanding a direction inconsistent with such request, and shall have failed to institute any such proceeding, for 60 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Security for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

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

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

The Securities of this series are issuable only in registered form without coupons in denominations of \$1,000 and any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series and of like tenor of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Guarantor, the Trustee and any agent of the Company, the Guarantor or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Guarantor, the Trustee nor any such agent shall be affected by notice to the contrary.

All terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

204. Form of Legend for Global Securities. Unless otherwise specified as contemplated by Section 301 for the Securities evidenced thereby, every Global Security authenticated and delivered hereunder shall bear a legend in substantially the following form:

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE THEREOF. THIS SECURITY MAY NOT BE TRANSFERRED TO, OR REGISTERED OR EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED IN THE NAME OF ANY PERSON OTHER THAN SUCH DEPOSITARY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

205. Form of Trustee's Certificate of Authentication. The Trustee's certificates of authentication shall be in substantially the following form:

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

THE BANK OF NEW YORK MELLON, As Trustee

Authorized Signatory

206. Form of Guarantee. The Guarantee shall be in substantially the following form:

For value received, the undersigned (the "Guarantor"), to the extent set forth in and subject to the terms of the Indenture dated as of _____, _____ (herein called the "Indenture", which term shall have the meaning assigned to it in such instrument), among Northrop Grumman Systems Finance, LLC, a limited liability company duly organized and existing under the laws of the State of Delaware (the "Company"), the Guarantor and The Bank of New York Mellon, as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), irrevocably and unconditionally guarantees, as a primary obligor and not merely as a surety, to the Trustee and to each Holder (1) the full and punctual payment when due, whether at Maturity, by acceleration, by redemption or otherwise, of all obligations of the Company under this Indenture (including obligations to the Trustee) and the Securities, whether for payment of principal, interest, or premium, if any, on the Securities, the payment of any sinking fund payment, if any, provided for with respect to any such

Security and all other monetary obligations of the Company under this Indenture and the Securities, and (2) the full and punctual performance within applicable grace periods of all other obligations of the Company whether for fees, expenses, indemnification or otherwise under this Indenture and the Securities (all the foregoing being herein collectively called the "Guaranteed Obligations"); and the Guarantor hereby agrees to pay any and all expenses (including reasonable counsel fees and expenses) incurred by such Holder or the Trustee in enforcing any rights under this Guarantee.

The obligations of the Guarantor to the Holders and to the Trustee pursuant to this Guarantee and the Indenture are expressly set forth in Article Fourteen of the Indenture, and reference is hereby made to the Indenture for the precise terms and limitations of this Guarantee. Each Holder of the Securities on which this Guarantee is endorsed, by accepting such Securities, agrees to and shall be bound by such provisions.

All terms used in this Guarantee which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

IN WITNESS WHEREOF, the Guarantor has caused this Guarantee to be signed by a duly authorized officer.

NORTHROP GRUMMAN CORPORATION

Authorized Officer

ARTICLE 3 THE SECURITIES

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

The Securities may be issued in one or more series. There shall be established in or pursuant to a Board Resolution of the Company and, subject to Section 303, set forth, or determined in the manner provided, in an Officers' Certificate of the Company, or established in one or more indentures supplemental hereto, prior to the issuance of Securities of any series:

- (1) the title of the Securities of the series (which shall distinguish the Securities of the series from Securities of any other series);
- (2) any limit upon the aggregate principal amount of the Securities of the series which 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 304, 305, 306, 906 or 1107 and except for any Securities which, pursuant to Section 303, are deemed never to have been authenticated and delivered hereunder);

- (3) the Person to whom any interest on a Security of the series shall be payable, if other than the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest;
- (4) the date or dates on which the principal of any Securities of the series is payable;
- (5) the rate or rates at which any Securities of the series shall bear interest, if any, the date or dates from which any such interest shall accrue, the Interest Payment Dates on which any such interest shall be payable and the Regular Record Date for any such interest payable on any Interest Payment Date;
- (6) the place or places where the principal of and any premium and interest on any Securities of the series shall be payable;
- (7) the period or periods within which, the price or prices at which and the terms and conditions upon which any Securities of the series may be redeemed, in whole or in part, at the option of the Company;
- (8) the obligation, if any, of the Company to redeem or purchase any Securities of the series pursuant to any sinking fund or analogous provisions or at the option of the Holder thereof and the period or periods within which, the price or prices at which and the terms and conditions upon which any Securities of the series shall be redeemed or purchased, in whole or in part, pursuant to such obligation;
- (9) any provision for the conversion or exchange of Securities of the series, either at the option of the Holder thereof or the Company, into or for another security or securities of the Company or the Guarantor, the security or securities into or for which, the period or periods within which, the price or prices, including any adjustments thereto, at which and the other terms and conditions upon which any Securities of the series shall be converted or exchanged, in whole or in part, pursuant to such obligation;
- (10) if other than denominations of \$1,000 and any integral multiple thereof, the denominations in which any Securities of the series shall be issuable;
- (11) if the amount of principal of or any premium or interest on any Securities of the series may be determined with reference to one or more indices or pursuant to a formula, the manner in which such amounts shall be determined;
- (12) if other than the currency of the United States of America, the currency, currencies or currency units in which the principal of or any premium or interest on any Securities of the series shall be payable and the manner of determining the equivalent thereof in the currency of the United States of America for any purpose, including for purposes of the definition of "Outstanding" in Section 101;
- (13) if the principal of or any premium or interest on any Securities of the series is to be payable, at the election of the Company or the Holder thereof, in one or more

currencies or currency units other than that or those in which such Securities are stated to be payable, the currency, currencies or currency units in which the principal of or any premium or interest on such Securities as to which such election is made shall be payable, the periods within which and the terms and conditions upon which such election is to be made and the amount so payable (or the manner in which such amount shall be determined);

- (14) if other than the entire principal amount thereof, the portion of the principal amount of any Securities of the series which shall be payable upon declaration of acceleration of the Maturity thereof pursuant to Section 502;
- (15) if the principal amount payable at the Stated Maturity of any Securities of the series will not be determinable as of any one or more dates prior to the Stated Maturity, the amount which shall be deemed to be the principal amount of such Securities as of any such date for any purpose thereunder or hereunder, including the principal amount thereof which shall be due and payable upon any Maturity other than the Stated Maturity or which shall be deemed to be Outstanding as of any date prior to the Stated Maturity (or, in any such case, the manner in which such amount deemed to be the principal amount shall be determined);
- (16) whether either or both of Section 1302 and Section 1303 shall not apply to the Securities of the series;
- (17) if and as applicable, that any Securities of the series shall be issuable in whole or in part in the form of one or more Global Securities and, in such case, the respective Depositaries for such Global Securities, the form of any legend or legends which shall be borne by any such Global Security in addition to or in lieu of that set forth in Section 204 and any circumstances in addition to or in lieu of those set forth in Clause (2) of Section 305 in which any such Global Security may be exchanged in whole or in part for Securities registered, and any transfer of such Global Security in whole or in part may be registered, in the name or names of Persons other than the Depositary for such Global Security or a nominee thereof;
- (18) any addition to or change in the Events of Default which applies to any Securities of the series and any change in the right of the Trustee or the requisite Holders of such Securities to declare the principal amount thereof due and payable pursuant to Section 502;
- (19) any addition to or change in the covenants set forth in Article Ten which applies to Securities of the series;
- (20) any addition to or change in the provisions of the Guarantee which applies to Securities of the series; and
- (21) any other terms of the series (which terms shall not be inconsistent with the provisions of this Indenture, except as permitted by Section 901(5)).

All Securities of any one series shall be substantially identical except as to denomination and except as may otherwise be provided in or pursuant to the Board Resolution referred to above and (subject to Section 303) set forth, or determined in the manner provided in the Officers' Certificate referred to above or in any such indenture supplemental hereto. All Securities of any one series need not be issued at one time and, unless otherwise provided, a series may be reopened for issuances of additional Securities of such series.

Unless otherwise provided with respect to the Securities of any series, at the option of the Company, interest on the Securities of any series that bears interest may be paid by mailing a check to the address of the person entitled thereto as such address shall appear in the Security Register.

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

302. Denominations. The Securities of each series shall be issuable only in registered form without coupons and only in such denominations as shall be specified as contemplated by Section 301(10). In the absence of any such specified denomination with respect to the Securities of any series, the Securities of such series shall be issuable in denominations of \$1,000 and any integral multiple thereof.

303. Execution, Authentication, Delivery and Dating. The Securities shall be executed on behalf of the Company by its Chairman of the Board, its Vice Chairman of the Board, its President, one of its Vice Presidents, its Treasurer, or its Secretary. The signature of any of these officers on the Securities may be manual or facsimile.

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

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Securities of any series executed by the Company to the Trustee for authentication, together with a Company Order for the authentication and delivery of such Securities, and the Trustee in accordance with the Company Order shall authenticate and deliver such Securities. If the form or terms of the Securities of the series have been established by or pursuant to one or more Board Resolutions as permitted by Sections 201 and 301, in authenticating such Securities, and accepting the additional responsibilities under this Indenture in relation to such Securities, the Trustee shall be entitled to receive, and (subject to Section 601) shall be fully protected in relying upon, an Opinion of Counsel stating,

- (1) if the form of such Securities has been established by or pursuant to Board Resolution as permitted by Section 201, that such form has been established in conformity with the provisions of this Indenture;
- (2) if the terms of such Securities have been established by or pursuant to Board Resolution as permitted by Section 301, that such terms have been established in conformity with the provisions of this Indenture;
- (3) that such Securities, when authenticated and delivered by the Trustee and issued by the Company in the manner and subject to any conditions specified in such Opinion of Counsel, will constitute valid and legally binding obligations of the Company enforceable in accordance with their terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles and, if applicable, to provisions of law which may require that a judgment for money damages rendered by a court in the United States be expressed in United States dollars; and
- (4) that the Guarantees relating to such Securities, when the Securities on which the Guarantees shall have been endorsed or to which the Guarantees relate shall have been authenticated and delivered by the Trustee and issued by the Company in the manner and subject to any conditions specified in such Opinion of Counsel, will constitute valid and legally binding obligations of the Guarantor enforceable in accordance with their terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles and, if applicable, to provisions of law which may require that a judgment for money damages rendered by a court in the United States be expressed in United States dollars.

If such form or terms have been so established, the Trustee shall not be required to authenticate such Securities if the issue of such Securities pursuant to this Indenture will affect the Trustee's own rights, duties or immunities under the Securities and this Indenture or otherwise in a manner which is not reasonably acceptable to the Trustee.

Notwithstanding the provisions of Section 301 and of the preceding paragraph, if all Securities of a series are not to be originally issued at one time, it shall not be necessary to deliver the Officers' Certificate otherwise required pursuant to Section 301 or the Company Order and Opinion of Counsel otherwise required pursuant to such preceding paragraph at or prior to the authentication of each Security of such series if such documents are delivered at or prior to the authentication upon original issuance of the first Security of such series to be issued.

Each Security shall be dated the date of its authentication.

No Security shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication

substantially in the form provided for herein, executed by the Trustee by manual signature of an authorized signatory, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder. Notwithstanding the foregoing, if any Security shall have been authenticated and delivered hereunder but never issued and sold by the Company, and the Company shall deliver such Security to the Trustee for cancellation as provided in Section 309, for all purposes of this Indenture such Security shall be deemed never to have been authenticated and delivered hereunder and shall never be entitled to the benefits of this Indenture.

304. Temporary Securities. Pending the preparation of definitive Securities of any series, the Company may execute, and upon Company Order the Trustee shall authenticate and deliver, temporary Securities which are printed, lithographed, typewritten, mimeographed or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Securities in lieu of which they are issued and having endorsed thereon Guarantees duly executed by the Guarantor and with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Securities may determine, as evidenced by their execution of such Securities.

If temporary Securities of any series are issued, the Company will cause definitive Securities of that series to be prepared without unreasonable delay. After the preparation of definitive Securities of such series, the temporary Securities of such series shall be exchangeable for definitive Securities of such series upon surrender of the temporary Securities of such series at the office or agency of the Company in a Place of Payment for that series, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Securities of any series, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor one or more definitive Securities of the same series, of any authorized denominations and of like tenor and aggregate principal amount and having endorsed thereon Guarantees duly executed by the Guarantor. Until so exchanged, the temporary Securities of any series shall in all respects be entitled to the same benefits under this Indenture as definitive Securities of such series and tenor.

305. Registration, Registration of Transfer and Exchange. The Company shall cause to be kept at the Corporate Trust Office of the Trustee a register (the register maintained in such office or in any other office or agency of the Company in a Place of Payment being herein sometimes referred to as the "Security Register") in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Securities and of transfers of Securities. The Trustee is hereby appointed "Security Registrar" for the purpose of registering Securities and transfers of Securities as herein provided.

Upon surrender for registration of transfer of any Security of a series at the office or agency of the Company in a Place of Payment for that series, the Company shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Securities of the same series, of any authorized denominations and of like tenor and aggregate principal amount and having endorsed thereon Guarantees duly executed by the Guarantor.

At the option of the Holder, Securities of any series may be exchanged for other Securities of the same series, of any authorized denominations and of like tenor and aggregate principal amount, each such Security having endorsed thereon a Guarantee duly executed by the Guarantor, upon surrender of the Securities to be exchanged at such office or agency. Whenever any Securities are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and deliver, the Securities which the Holder making the exchange is entitled to receive.

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

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

No service charge shall be made for any registration of transfer or exchange of Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Securities, other than exchanges pursuant to Section 304, 906 or 1107 not involving any transfer.

If the Securities of any series (or of any series and specified tenor) are to be redeemed in part, the Company shall not be required (A) to issue, register the transfer of or exchange any Securities of that series (or of that series and specified tenor, as the case may be) during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of any such Securities selected for redemption under Section 1103 and ending at the close of business on the day of such mailing, or (B) to register the transfer of or exchange any Security so selected for redemption in whole or in part, except the unredeemed portion of any Security being redeemed in part.

The provisions of Clauses (1), (2), (3), (4) and (5) below shall apply only to Global Securities:

- (1) Each Global Security authenticated under this Indenture shall be registered in the name of the Depositary designated for such Global Security or a nominee thereof and delivered to such Depositary or a nominee thereof or custodian therefor, and each such Global Security shall constitute a single Security for all purposes of this Indenture.
- (2) Notwithstanding any other provision in this Indenture, no Global Security may be exchanged in whole or in part for Securities registered, and no transfer of a Global Security in whole or in part may be registered, in the name of any Person other than the Depositary for such Global Security or a nominee thereof unless (A) such Depositary (i) has notified the Company that it is unwilling or unable to continue

as Depositary for such Global Security or (ii) has ceased to be a clearing agency registered under the Exchange Act, (B) there shall have occurred and be continuing an Event of Default with respect to such Global Security or (C) there shall exist such circumstances, if any, in addition to or in lieu of the foregoing as have been specified for this purpose as contemplated by Section 301.

- (3) Subject to the provisions of Clause (2) above, the rights of holders of such Global Securities shall be exercised only through the Depositary and shall be limited to those established by law and agreements between such holders and the Depositary and or the Depositary participants. The initial Depositary will make book-entry transfers among the Depositary participants and receive and transmit distributions of principal and interest on the Global Securities to such Depositary participants.

The Depositary may be treated by the Company and the Trustee, and any of their respective agents, employees, officers and directors, as the absolute owner of the Global Securities for all purposes whatsoever. Notwithstanding the foregoing, nothing in this Indenture shall prevent the Company and the Trustee, or any of their respective agents, from giving effect to any written certification, proxy or other authorization furnished by the Depositary, or shall impair the operation of customary practices governing the exercise of the rights of a holder of any Global Security. Subject to the foregoing provisions of this Section, any Holder of any Global Security may grant proxies and otherwise authorize any person to take any action which a Holder is entitled to take under this Indenture or the Global Securities.

- (4) Subject to Clause (2) above, any exchange of a Global Security for other Securities may be made in whole or in part, and all Securities issued in exchange for a Global Security or any portion thereof shall be registered in such names as the Depositary for such Global Security shall direct.
- (5) Every Security authenticated and delivered upon registration of transfer of, or in exchange for or in lieu of, a Global Security or any portion thereof, whether pursuant to this Section, Section 304, 306, 906 or 1107 or otherwise, shall be authenticated and delivered in the form of, and shall be, a Global Security, unless such Security is registered in the name of a Person other than the Depositary for such Global Security or a nominee thereof.

None of the Company, the Guarantor, the Trustee nor any agent of the Company, the Guarantor or the Trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests of a Global Security or maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

306. Mutilated, Destroyed, Lost or Stolen Securities. If any mutilated Security is surrendered to the Trustee, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a new Security of the same series and of like tenor and principal

amount, having endorsed thereon a Guarantee duly executed by the Guarantor and bearing a number not contemporaneously outstanding.

If there shall be delivered to the Company and the Trustee (i) evidence to their satisfaction of the destruction, loss or theft of any Security and (ii) such security or indemnity as may be required by them to save each of them and any agent of either of them harmless, then, in the absence of notice to the Company, the Guarantor or the Trustee that such Security has been acquired by a bona fide purchaser, the Company shall execute and the Trustee shall authenticate and deliver, in lieu of any such destroyed, lost or stolen Security, a new Security of the same series and of like tenor and principal amount, having endorsed thereon a Guarantee duly executed by the Guarantor and bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost or stolen Security has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Security, pay such Security.

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

Every new Security of any series issued pursuant to this Section in lieu of any destroyed, lost or stolen Security shall constitute an original additional contractual obligation of the Company, 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 this Indenture equally and proportionately with any and all other Securities of that series duly issued hereunder.

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

307. Payment of Interest; Interest Rights Preserved. Except as otherwise provided as contemplated by Section 301 with respect to any series of Securities, interest on any Security which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest.

Any interest on any Security of any series which 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 may be paid by the Company, at its election in each case, as provided in Clause (1) or (2) below:

- (1) The Company may elect to make payment of any Defaulted Interest to the Persons in whose name the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on a Special Record

Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Security of such series and the date of the proposed payment, and at the same time the Company 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 be not more than 15 days and not less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of any notice of the proposed payment. The Trustee shall promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder of Securities of such series, 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 so mailed, such Defaulted Interest shall be paid to the Persons in whose names the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on such Special Record Date and shall no longer be payable pursuant to the following Clause (2).

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

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

308. Persons Deemed Owners. Prior to due presentment of a Security for registration of transfer, the Company, the Guarantor, the Trustee and any agent of the Company, the Guarantor or the Trustee may treat the Person in whose name such Security is registered as the owner of such Security for the purpose of receiving payment of principal of and any premium and (subject to Section 307) any interest on such Security and for all other purposes whatsoever, whether or not such Security be overdue, and neither the Company, the Guarantor, the Trustee nor any agent of the Company, the Guarantor or the Trustee shall be affected by notice to the contrary.
309. Cancellation. All Securities surrendered for payment, redemption, registration of transfer or exchange or for credit against any sinking fund payment shall, if surrendered to any

Person other than the Trustee, be delivered to the Trustee and shall be promptly cancelled by it. The Company and the Guarantor may at any time deliver to the Trustee for cancellation any Securities previously authenticated and delivered hereunder which the Company or the Guarantor may have acquired in any manner whatsoever, and may deliver to the Trustee (or to any other Person for delivery to the Trustee) for cancellation any Securities previously authenticated hereunder which the Company has not issued and sold, and all Securities so delivered shall be promptly cancelled by the Trustee. No Securities shall be authenticated in lieu of or in exchange for any Securities cancelled as provided in this Section, except as expressly permitted by this Indenture. All cancelled Securities held by the Trustee shall be disposed of by the Trustee in accordance with its customary procedure, unless otherwise directed by a Company Order.

310. Computation of Interest. Except as otherwise specified as contemplated by Section 301 for Securities of any series, interest on the Securities of each series shall be computed on the basis of a 360-day year of twelve 30-day months.

ARTICLE 4 SATISFACTION AND DISCHARGE

401. Satisfaction and Discharge of Indenture. This Indenture shall upon Company Request cease to be of further effect (except as to any surviving rights of registration of transfer or exchange of Securities herein expressly provided for), and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when

(1) either

(a) all Securities theretofore authenticated and delivered (other than (i) Securities which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 306 and (ii) Securities for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Company or the Guarantor and thereafter repaid to the Company or the Guarantor or discharged from such trust, as provided in Section 1003) have been delivered to the Trustee for cancellation; or

(b) all such Securities not theretofore delivered to the Trustee for cancellation

(1) have become due and payable, or

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

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

and the Company or the Guarantor, in the case of (i), (ii) or (iii) above, has deposited or caused to be deposited with the Trustee as trust funds in trust for the purpose money

(either in United States dollars or such other currency or currency units in which the Securities of any series may be payable) in an amount sufficient to pay and discharge the entire indebtedness on such Securities not theretofore delivered to the Trustee for cancellation, for principal and any premium and interest to the date of such deposit (in the case of Securities which have become due and payable) or to the Stated Maturity or Redemption Date, as the case may be;

- (2) the Company or the Guarantor has paid or caused to be paid all other sums payable hereunder by the Company or the Guarantor; and
- (3) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with.

Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Company and the Guarantor to the Trustee under Section 607, the obligations of the Company to any Authenticating Agent under Section 614 and, if money shall have been deposited with the Trustee pursuant to subclause (b) of Clause (1) of this Section, the obligations of the Trustee under Section 402 and the last paragraph of Section 1003 shall survive.

402. Application of Trust Money. Subject to the provisions of the last paragraph of Section 1003, all money deposited with the Trustee pursuant to Section 401 shall be held in trust and applied by it, in accordance with the provisions of the Securities and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal and any premium and interest for whose payment such money has been deposited with the Trustee.

ARTICLE 5 REMEDIES

501. Events of Default. "Event of Default", wherever used herein with respect to Securities of any series, means any of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

- (1) default in the payment of any interest upon any Security of that series when it becomes due and payable, and continuance of such default for a period of 30 days; or
- (2) default in the payment of the principal of or any premium on any Security of that series when due, whether at its Maturity, upon acceleration or otherwise; or
- (3) default in the deposit of any sinking fund payment, when and as due by the terms of a Security of that series; or

- (4) default in the performance, or breach, of any covenant, agreement or warranty of the Company or the Guarantor in this Indenture (other than a covenant, agreement or warranty a default in whose performance or whose breach is elsewhere in this Section specifically dealt with or which has expressly been included in this Indenture solely for the benefit of series of Securities other than that series), and continuance of such default or breach for a period of 90 days after there has been given, by registered or certified mail, to the Company or the Guarantor, as the case may be, by the Trustee or to the Company or the Guarantor, as the case may be, and the Trustee by the Holders of at least 10% in principal amount of the Outstanding Securities of that series a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a “Notice of Default” hereunder; or
- (5) the entry by a court having jurisdiction in the premises of (A) a decree or order for relief in respect of the Company or the Guarantor in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or (B) a decree or order adjudging the Company or the Guarantor a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Company or the Guarantor under any applicable Federal or State law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or the Guarantor or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of 60 consecutive days; or
- (6) the commencement by the Company or the Guarantor of a voluntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by either the Company or the Guarantor to the entry of a decree or order for relief in respect of the Company or the Guarantor, as the case may be, in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable Federal or State law, or the consent by it to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or the Guarantor or of any substantial part of its property, or the making by either the Company or the Guarantor of an assignment for the benefit of creditors, or the admission by either the Company or the Guarantor in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by the Company or the Guarantor in furtherance of any such action; or

- (7) any Guarantee is determined to be unenforceable or invalid or shall for any reason cease to be in full force and effect except as permitted by this Indenture, or the Guarantor repudiates its obligations under such Guarantee; or
- (8) any other Event of Default provided with respect to Securities of that series.

502. Acceleration of Maturity; Rescission and Annulment. If an Event of Default (other than an Event of Default specified in Section 501(5) or 501(6)) with respect to Securities of any series at the time Outstanding occurs and is continuing, then in every such case the Trustee or the Holders of not less than 25% in principal amount of the Outstanding Securities of that series may declare the principal amount of all the Securities of that series (or, if any Securities of that series are Original Issue Discount Securities, such portion of the principal amount of such Securities as may be specified by the terms thereof) to be due and payable immediately, by a notice in writing to the Company (and to the Trustee if given by Holders), and upon any such declaration such principal amount (or specified amount) shall become immediately due and payable. If an Event of Default specified in Section 501(5) or 501(6) with respect to Securities of any series at the time Outstanding occurs, the principal amount of all the Securities of that series (or, if any Securities of that series are Original Issue Discount Securities, such portion of the principal amount of such Securities as may be specified by the terms thereof) shall automatically, and without any declaration or other action on the part of the Trustee or any Holder, become immediately due and payable.

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

- (1) the Company or the Guarantor has paid or deposited with the Trustee a sum sufficient to pay;
 - (a) all overdue interest on all Securities of that series,
 - (b) the principal of (and premium, if any, on) any Securities of that series which have become due otherwise than by such declaration of acceleration and any interest thereon at the rate or rates prescribed therefor in such Securities,
 - (c) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate or rates prescribed therefor in such Securities, and
 - (d) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel; and

- (2) all Events of Default with respect to Securities of that series, other than the non-payment of the principal of Securities of that series which have become due solely by such declaration of acceleration, have been cured or waived as provided in Section 513.

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

503. Collection of Indebtedness and Suits for Enforcement by Trustee. The Company and the Guarantor covenant that if:

- (1) default is made in the payment of any interest on any Security when such interest becomes due and payable and such default continues for a period of 30 days; or
- (2) default is made in the payment of the principal of (or premium, if any, on) any Security whether at the Maturity or upon acceleration or otherwise thereof;

the Company or the Guarantor will, upon demand of the Trustee, pay to it, for the benefit of the Holders of such Securities, the whole amount then due and payable on such Securities for principal and any premium and interest and, to the extent that payment of such interest shall be legally enforceable, interest on any overdue principal and premium and on any overdue interest, at the rate or rates prescribed therefor in such Securities, and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

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

504. Trustee May File Proofs of Claim. In case of any judicial proceeding relative to the Company or the Guarantor (or any other obligor upon the Securities), its property or its creditors, the Trustee shall be entitled and empowered, by intervention in such proceeding or otherwise, to take any and all actions authorized under the Trust Indenture Act in order to have claims of the Holders and the Trustee allowed in any such proceeding. In particular, the Trustee shall be authorized to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 607.

No provision of this Indenture shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding; provided, however, that the Trustee may, on behalf of the Holders, vote for the election of a trustee in bankruptcy or similar official and be a member of a creditors' or other similar committee.

505. Trustee May Enforce Claims Without Possession of Securities. All rights of action and claims under this Indenture or the Securities may be prosecuted and enforced by the Trustee without the possession of any of the Securities or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Securities in respect of which such judgment has been recovered.

506. Application of Money Collected. Any money collected by the Trustee pursuant to this Article shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal or any premium or interest, upon presentation of the Securities and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

FIRST: To the payment of all amounts due the Trustee under Section 607; and

SECOND: To the payment of the amounts then due and unpaid for principal of and any premium and interest on the Securities in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Securities for principal and any premium and interest, respectively.

THIRD: To the Company or any other Person or Persons entitled thereto.

507. Limitation on Suits. No Holder of any Security of any series shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless: (1) such Holder has previously given written notice to the Trustee of a continuing Event of Default with respect to the Securities of that series;

(2) the Holders of not less than 25% in principal amount of the Outstanding Securities of that series shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;

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

- (4) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and
- (5) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of a majority in principal amount of the Outstanding Securities of that series;

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

- 508. Unconditional Right of Holders to Receive Principal, Premium and Interest and to Convert. Notwithstanding any other provision in this Indenture, the Holder of any Security shall have the right, which is absolute and unconditional, to receive payment of the principal of and any premium and (subject to Section 307) interest on such Security on the respective Stated Maturities expressed in such Security (or, in the case of redemption, on the Redemption Date) and to convert such Security in accordance with the provisions in the form of Security of any particular series pursuant to Section 301(9) and to institute suit for the enforcement of any such payment and right to convert, and such rights shall not be impaired without the consent of such Holder.
- 509. Restoration of Rights and Remedies. If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture or any Guarantee and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case, subject to any determination in such proceeding, the Company, the Guarantor, the Trustee and the Holders shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.
- 510. Rights and Remedies Cumulative Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities in the last paragraph of Section 306, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.
- 511. Delay or Omission Not Waiver. No delay or omission of the Trustee or of any Holder of any Securities to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the

Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

512. Control by Holders. The Holders of a majority in principal amount of the Outstanding Securities of any series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, with respect to the Securities of such series, provided that:

- (1) such direction shall not be in conflict with any rule of law or with this Indenture or any Guarantee;
- (2) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction; and
- (3) subject to the provisions of Section 601, the Trustee shall have the right to decline to follow any such direction if the Trustee in good faith shall, by a Responsible Officer or Officers of the Trustee, determine that the proceeding so directed would involve the Trustee in personal liability.

513. Waiver of Past Defaults. The Holders of not less than a majority in principal amount of the Outstanding Securities of any series may on behalf of the Holders of all the Securities of such series waive any past default hereunder with respect to such series and its consequences, except a default:

- (1) in the payment of the principal of or any premium or interest on any Security of such series, or
- (2) in respect of a covenant or provision hereof which under Section 902 cannot be modified or amended without the consent of the Holder of each Outstanding Security of such series affected.

Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

514. Undertaking for Costs. In any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, a court may require any party litigant in such suit to file an undertaking to pay the costs of such suit, and may assess costs against any such party litigant, in the manner and to the extent provided in the Trust Indenture Act; provided that neither this Section nor the Trust Indenture Act shall be deemed to authorize any court to require such an undertaking or to make such an assessment in any suit instituted by the Company.

515. Waiver of Usury, Stay or Extension Laws. The Company and the Guarantor each covenant (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any

usury, stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture or any Guarantee; and each of the Company and the Guarantor (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE 6
THE TRUSTEE

601. Certain Duties and Responsibilities. The Trustee, prior to the occurrence of an Event of Default and after the curing or waiving of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default to the actual knowledge of a Responsible Officer of the Trustee has occurred, has not been waived and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

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

- (a) prior to the occurrence of an Event of Default and after the curing or waiving of all such Events of Default which may have occurred;
 - (1) the duties and obligations of the Trustee 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
 - (2) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any statements, certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such statements, certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture;
- (b) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer or Responsible Officers of the Trustee, unless it

shall be proved that the Trustee was negligent in ascertaining the pertinent facts; and

- (c) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a majority in principal amount of the Securities at the time outstanding relating to the time, method and place of conducting a 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.

This Section is in furtherance of and subject to Sections 315 and 316 of the Trust Indenture Act.

602. Notice of Defaults. If a default occurs hereunder with respect to Securities of any series, the Trustee shall give the Holders of Securities of such series notice of such default as and to the extent provided by the Trust Indenture Act; provided, however, that in the case of any default of the character specified in Section 501(4) with respect to Securities of such series, no such notice to Holders shall be given until at least 30 days after the occurrence thereof. For the purpose of this Section, the term “default” means any event which is, or after notice or lapse of time or both would become, an Event of Default with respect to Securities of such series.

603. Certain Rights of Trustee. Subject to the provisions of Section 601:

- (1) the 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 or presented by the proper party or parties;
- (2) any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order, and any resolution of the Board of Directors shall be sufficiently evidenced by a Board Resolution;
- (3) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officers’ Certificate;
- (4) the Trustee may consult with counsel and the advice of such counsel or any 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 reliance thereon;

- (5) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders pursuant to this Indenture, unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;
- (6) the Trustee shall not be bound to make any investigation into the facts or matters stated in any 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 Trustee, in its discretion may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled, at reasonable times during normal business hours and upon reasonable advance written notice, to examine the books, records and premises of the Company or the Guarantor (to the extent permitted by applicable governmental security regulations), personally or by agent or attorney at the sole cost and expense of the Company or the Guarantor, as the case may be;
- (7) 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 and the Trustee shall not be responsible for any misconduct or negligence on the part of, or for the supervision of, any agent or attorney appointed with due care by it hereunder;
- (8) in the event the Trustee is also acting as Paying Agent, Authenticating Agent or Security Registrar hereunder, the rights and protections afforded to the Trustee pursuant to this Indenture shall also be afforded to such Paying Agent, Authenticating Agent or Registrar;
- (9) the Trustee shall not be charged with knowledge of an Event of Default unless a Responsible Officer of the Trustee obtains actual knowledge of such event or the Trustee receives written notice of such event from the Company or from Holders of Securities of any series so affected evidencing no less than 51% of the aggregate outstanding principal amount of Securities of such series;
- (10) without prejudice to any other rights available to the Trustee under applicable law, when the Trustee incurs expenses or renders services in connection with an Event of Default specified in Section 501(5) or Section 501(6), such expenses (including the fees and expenses of its counsel) and the compensation for such services are intended to constitute expenses of administration under any bankruptcy or insolvency law;
- (11) in no event shall the Trustee be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if

the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action; and

(12) in no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused by, directly or indirectly, forces beyond its reasonable control that could not be prevented by a reasonable disaster preparedness plan, including without limitation strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software or hardware) services.

604. Not Responsible for Recitals or Issuance of Securities. The recitals contained herein and in the Securities, except the Trustee's certificates of authentication, shall be taken as the statements of the Company and the Guarantor, and neither the Trustee nor any Authenticating Agent assumes any responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities. Neither the Trustee nor any Authenticating Agent shall be accountable for the use or application by the Company of Securities or the proceeds thereof.

605. May Hold Securities. The Trustee, any Authenticating Agent, any Paying Agent, any Security Registrar or any other agent of the Company or the Guarantor, in its individual or any other capacity, may become the owner or pledgee of Securities and, subject to Sections 608 and 613, may otherwise deal with the Company and the Guarantor with the same rights it would have if it were not Trustee, Authenticating Agent, Paying Agent, Security Registrar or such other agent.

606. Money Held in Trust. Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed with the Company.

607. Compensation and Reimbursement. The Company and Guarantor jointly and severally agree:

- (1) to pay to the Trustee from time to time reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);
- (2) except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith; and
- (3) to indemnify the Trustee and its officers, directors, agents, and employees for, and to hold it and its officers, directors, agents, and employees 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 of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

As security for the performance of the obligations of the Company and the Guarantor under this Section, the Trustee shall have a lien prior to 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.

608. Conflicting Interests. If the Trustee has or shall acquire a conflicting interest within the meaning of the Trust Indenture Act, the Trustee shall either eliminate such interest or resign, to the extent and in the manner provided by, and subject to the provisions of, the Trust Indenture Act and this Indenture. To the extent permitted by such Act, the Trustee shall not be deemed to have a conflicting interest by virtue of being a trustee under this Indenture with respect to Securities of more than one series or under the Indenture dated as of November 21, 2001 between the Guarantor and The Bank of New York Mellon (successor to JPMorgan Chase Bank, N.A. (formerly known as JPMorgan Chase Bank)), as Trustee or under the Indenture dated as of ____, ____, among Northrop Grumman S&MS Finance LLC, the Guarantor and The Bank of New York Mellon, as Trustee.
609. Corporate Trustee Required; Eligibility. There shall at all times be a Trustee hereunder, which may be Trustee hereunder for Securities of one or more other series. Each Trustee shall be a Person that is eligible pursuant to the Trust Indenture Act to act as such and has a combined capital and surplus of at least \$50,000,000. If any such Person publishes reports of condition at least annually, pursuant to law or to the requirements of its supervising or examining authority, then for the purposes of this Section and to the extent permitted by the Trust Indenture Act, the combined capital and surplus of such Person shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee with respect to the Securities of any series shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.
610. Resignation and Removal; Appointment of Successor. No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee in accordance with the applicable requirements of Section 611.

The Trustee may resign at any time with respect to the Securities of one or more series by giving written notice thereof to the Company. If the instrument of acceptance by a successor Trustee required by Section 611 shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

The Trustee may be removed at any time with respect to the Securities of any series by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series, delivered to the Trustee and to the Company.

If at any time:

- (1) the Trustee shall fail to comply with Section 608 after written request therefor by the Company or by any Holder who has been a bona fide Holder of a Security for at least six months,
- (2) the Trustee shall cease to be eligible under Section 609 and shall fail to resign after written request therefor by the Company or by any such Holder, or
- (3) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation;

then, in any such case, (A) the Company by a Board Resolution may remove the Trustee with respect to all Securities, or (B) subject to Section 514, any Holder who has been a bona fide Holder of a Security 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 with respect to all Securities and the appointment of a successor Trustee or Trustees.

If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, with respect to the Securities of one or more series, the Company, by a Board Resolution, shall promptly appoint a successor Trustee or Trustees with respect to the Securities of that or those series (it being understood that any such successor Trustee may be appointed with respect to the Securities of one or more or all of such series and that at any time there shall be only one Trustee with respect to the Securities of any particular series) and shall comply with the applicable requirements of Section 611. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee with respect to the Securities of any series shall not have been appointed by the Company, a successor Trustee may be appointed by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series delivered to the Company and the retiring Trustee; and the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment in accordance with the applicable requirements of Section 611, become the successor Trustee with respect to the Securities of such series and to that extent supersede the successor Trustee appointed by the Company. If no successor Trustee with respect to the Securities of any series shall have been so appointed by the Company or the Holders and accepted appointment in the manner required by Section 611, any Holder who has been a bona fide Holder of a Security 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 appointment of a successor Trustee with respect to the Securities of such series.

The Company shall give notice of each resignation and each removal of the Trustee with respect to the Securities of any series and each appointment of a successor Trustee with respect to the Securities of any series to all Holders of Securities of such series in the manner provided in Section 106. Each notice shall include the name of the successor Trustee with respect to the Securities of such series and the address of its Corporate Trust Office.

611. Acceptance of Appointment by Successor. In case of the appointment hereunder of a successor Trustee with respect to all Securities, every such successor Trustee so appointed shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on the request of the Company or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder.

In case of the appointment hereunder of a successor Trustee with respect to the Securities of one or more (but not all) series, the Company, the Guarantor, the retiring Trustee and each successor Trustee with respect to the Securities of one or more series shall execute and deliver an indenture supplemental hereto wherein each successor Trustee shall accept such appointment and which (1) shall contain such provisions as shall be necessary or desirable to transfer and confirm to, and to vest in, each successor Trustee all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates, (2) if the retiring Trustee is not retiring with respect to all Securities, shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series as to which the retiring Trustee is not retiring shall continue to be vested in the retiring Trustee, and (3) shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such Trustees co-trustees of the same trust and that each such Trustee shall be trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Trustee; and upon the execution and delivery of such supplemental indenture, the resignation or removal of the retiring Trustee shall become effective to the extent provided therein and each such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates; but, on request of the Company, the Guarantor or any successor Trustee, such retiring Trustee shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder with respect to the Securities of that or those series to which the appointment of such successor Trustee relates.

Upon request of any such successor Trustee, the Company and the Guarantor shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts referred to in the first or second preceding paragraph, as the case may be.

No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article. No trustee hereunder shall be liable for the acts or omissions of any successor Trustee.

612. Merger, Conversion, Consolidation or Succession to Business. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Securities shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Securities so authenticated with the same effect as if such successor Trustee had itself authenticated such Securities.
613. Preferential Collection of Claims Against Company and Guarantor. If and when the Trustee shall be or become a creditor of the Company or the Guarantor (or any other obligor upon the Securities), the Trustee shall be subject to the provisions of the Trust Indenture Act regarding the collection of claims against the Company or the Guarantor (or any such other obligor).
614. Appointment of Authenticating Agent. The Trustee may appoint an Authenticating Agent or Agents with respect to one or more series of Securities which shall be authorized to act on behalf of the Trustee to authenticate Securities of such series issued upon original issue and upon exchange, registration of transfer or partial redemption thereof or pursuant to Section 306, and Securities so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee hereunder. Wherever reference is made in this Indenture to the authentication and delivery of Securities by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include authentication and delivery on behalf of the Trustee by an Authenticating Agent and a certificate of authentication executed on behalf of the Trustee by an Authenticating Agent. Each Authenticating Agent shall be acceptable to the Company and shall at all times be a corporation organized and doing business under the laws of the United States of America, any State thereof or the District of Columbia, authorized under such laws to act as Authenticating Agent, having a combined capital and surplus of not less than \$50,000,000 and subject to supervision or examination by Federal or State authority. If such Authenticating Agent publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such Authenticating Agent shall be deemed to be its

combined capital and surplus as set forth in its most recent report of condition so published. If at any time an Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, such Authenticating Agent shall resign immediately in the manner and with the effect specified in this Section.

Any corporation into which an Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which such Authenticating Agent shall be a party, or any corporation succeeding to the corporate agency or corporate trust business of an Authenticating Agent, shall continue to be an Authenticating Agent, provided such corporation shall be otherwise eligible under this Section, without the execution or filing of any paper or any further act on the part of the Trustee or the Authenticating Agent.

An Authenticating Agent may resign at any time by giving written notice thereof to the Trustee and to the Company. 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 Company. Upon receiving such a notice of resignation or upon such a termination, or in case at any time such Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, the Trustee may appoint a successor Authenticating Agent which shall be acceptable to the Company and shall give notice of such appointment by first-class mail, postage prepaid, to all Holders of Securities of the series with respect to which such Authenticating Agent will serve. Any successor Authenticating Agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an Authenticating Agent. No successor Authenticating Agent shall be appointed unless eligible under the provisions of this Section.

The Company agrees to pay to each Authenticating Agent from time to time reasonable compensation for its services under this Section.

If an appointment with respect to one or more series is made pursuant to this Section, the Securities of such series may have endorsed thereon, in addition to the Trustee's certificate of authentication, an alternative certificate of authentication in the following form:

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

THE BANK OF NEW YORK MELLON, as Trustee

By: _____
As Authenticating Agent

By: _____
Authorized Signatory

ARTICLE 7
HOLDERS' LISTS AND REPORTS BY TRUSTEE AND COMPANY

701. Company to Furnish Trustee Names and Addresses of Holders. The Company will furnish or cause to be furnished to the Trustee,

- (1) semi-annually, not later than April 15 and October 15 in each year, a list in such form as the Trustee may reasonably require, of the names and addresses of the Holders of Securities of each series as of the preceding April 1 or October 1 as the case may be; and
- (2) at such other times as the Trustee may request in writing, within 30 days after the receipt by the Company of any such request, a list of similar form and content as of a date not more than 15 days prior to the time such list is furnished; excluding from any such list names and addresses received by the Trustee in its capacity as Security Registrar.

702. Preservation of Information; Communications to Holders. The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Holders contained in the most recent list furnished to the Trustee as provided in Section 701 and the names and addresses of Holders received by the Trustee in its capacity as Security Registrar. The Trustee may destroy any list furnished to it as provided in Section 701 upon receipt of a new list so furnished.

The rights of Holders to communicate with other Holders with respect to their rights under this Indenture or under the Securities, and the corresponding rights and privileges of the Trustee, shall be as provided by the Trust Indenture Act.

Every Holder of Securities, by receiving and holding the same, agrees with the Company, the Guarantor and the Trustee that neither the Company, the Guarantor nor the Trustee nor any agent of either of them shall be held accountable by reason of any disclosure of information as to names and addresses of Holders made pursuant to the Trust Indenture Act.

703. Reports by Trustee. The Trustee shall transmit to the Holders such reports concerning the Trustee and its actions under this Indenture as may be required pursuant to the Trust Indenture Act at the times and in the manner provided pursuant thereto.

Reports so required to be transmitted at stated intervals of not more than 12 months shall be transmitted no later than October 15 in each calendar year, commencing in ____.

A copy of each such report shall, at the time of such transmission to Holders, be filed by the Trustee with each stock exchange upon which any Securities are listed, with the Commission and with the Company. The Company will notify the Trustee when any Securities are listed on any stock exchange.

704. Reports by Company and Guarantor. The Company and the Guarantor shall file with the Trustee and the Commission, and transmit to the Holders, such information, documents and other reports, and such summaries thereof, as may be required pursuant to the Trust Indenture Act at the times and in the manner provided pursuant to such Act; provided that any such information, documents or reports required to be filed with the Commission pursuant to Section 13 or 15(d) of the Exchange Act shall be filed with the Trustee within 15 days after the same is so required to be filed with the Commission.

ARTICLE 8
CONSOLIDATION, MERGER, CONVEYANCE, TRANSFER OR LEASE

801. Company May Consolidate, Etc., Only on Certain Terms. The Company shall not consolidate with or merge into any other Person or convey, transfer or lease its properties and assets substantially as an entirety to any Person, and the Company shall not permit any Person to consolidate with or merge into the Company or convey, transfer or lease its properties and assets substantially as an entirety to the Company, unless:

- (1) in case the Company shall consolidate with or merge into another Person or convey, transfer or lease its properties and assets substantially as an entirety to any Person, the Person formed by such consolidation or into which the Company is merged or the Person which acquires by conveyance or transfer, or which leases, the properties and assets of the Company substantially as an entirety shall be either the Guarantor or a corporation, limited liability company, partnership or trust, shall be organized and validly existing under the laws of the United States of America, any State thereof or the District of Columbia and shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, the due and punctual payment of the principal of and any premium and interest on all the Securities and the performance or observance of every covenant of this Indenture on the part of the Company to be performed or observed;
- (2) immediately after giving effect to such transaction and treating any indebtedness which becomes an obligation of the Company or any Subsidiary as a result of such transaction as having been incurred by the Company or such Subsidiary at the time of such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have happened and be continuing; and
- (3) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, conveyance, transfer or lease and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture comply with this Article and that all conditions precedent herein provided for relating to such transaction have been complied with.

802. Successor Substituted Upon any consolidation of the Company with, or merger of the Company into, any other Person or any conveyance, transfer or lease of the properties

and assets of the Company substantially as an entirety in accordance with Section 801, the successor Person formed by such consolidation or into which the Company is merged or to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor Person had been named as the Company herein, and thereafter, except in the case of a lease, the predecessor Person shall be relieved of all obligations and covenants under this Indenture and the Securities.

ARTICLE 9
SUPPLEMENTAL INDENTURES

901. Supplemental Indentures Without Consent of Holders. Without the consent of any Holders, the Company and the Guarantor, when authorized by a Board Resolution, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

- (1) to evidence the succession of another Person to the Company or the Guarantor and the assumption by any such successor of the covenants of the Company or the Guarantor herein and in the Securities;
- (2) to add to the covenants of the Company or the Guarantor for the benefit of the Holders of all or any series of Securities (and if such covenants are to be for the benefit of less than all series of Securities, stating that such covenants are expressly being included solely for the benefit of such series) or to surrender any right or power herein conferred upon the Company or the Guarantor;
- (3) to add any additional Events of Default for the benefit of the Holders of all or any series of Securities (and if such additional Events of Default are to be for the benefit of less than all series of Securities, stating that such additional Events of Default are expressly being included solely for the benefit of such series);
- (4) to add to or change any of the provisions of this Indenture to such extent as shall be necessary to permit or facilitate the issuance of Securities in bearer form, registrable or not registrable as to principal, and with or without interest coupons, or to permit or facilitate the issuance of Securities in uncertificated form;
- (5) to add to, change or eliminate any of the provisions of this Indenture in respect to one or more series of Securities, provided that any such addition, change or elimination (A) shall neither (i) apply to any Security or series created prior to the execution of such supplemental indenture and entitled to the benefit of such provision nor (ii) modify the rights of the Holder of any such Security with respect to such provision or (B) shall become effective only when there is no such Security Outstanding;
- (6) to secure the Securities or any Guarantee;

- (7) to establish the form or terms of Securities of any series as permitted by Sections 201 and 301;
- (8) to evidence and provide for the acceptance of appointment hereunder by a successor Trustee with respect to the Securities of one or more series and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, pursuant to the requirements of Section 611;
- (9) to cure any ambiguity, to correct or supplement any provision herein which may be defective or inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Indenture, provided that such action pursuant to this Clause (9) shall not adversely affect the interests of the Holders of Securities of any series in any material respect; or
- (10) to make provisions with respect to the conversion rights of Holders, including providing for the conversion of the Securities into any security or securities of the Company or the Guarantor.

902. Supplemental Indentures with Consent of Holders. With the consent of the Holders of not less than a majority in principal amount of the Outstanding Securities of each series affected by such supplemental indenture, by Act of said Holders delivered to the Company, the Guarantor and the Trustee, the Company and the Guarantor, when authorized by a Board Resolution, and the Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or the Guarantee, or of modifying in any manner the rights of the Holders of Securities of such series under this Indenture or the Guarantee; provided, however, that no such supplemental indenture shall, without the consent of the Holder of each Outstanding Security affected thereby:

- (1) change the Stated Maturity of the principal of, or any installment of principal of or interest on, any Security, or reduce the principal amount thereof or the rate of interest thereon (including any change in the index, indices or formula pursuant to which such rate is determined that would reduce such rate for any period) or any premium payable upon the redemption thereof, change the right to convert any Security in accordance with the provisions in the form of such Security pursuant to Section 301(9) hereof, or reduce the amount of the principal of an Original Issue Discount Security or any other Security which would be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 502, or change any Place of Payment where, or the coin or currency in which, any Security or any premium or interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date) or any such right to convert, or
- (2) reduce the percentage in principal amount of the Outstanding Securities of any series, the consent of whose Holders is required for any such supplemental

indenture, or the consent of whose Holders is required for any waiver (of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences) provided for in this Indenture, or

- (3) modify any of the provisions of this Section, Section 513 or Section 1008, except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Outstanding Security affected thereby; provided, however, that this clause shall not be deemed to require the consent of any Holder with respect to changes in the references to “the Trustee” and concomitant changes in this Section and Section 1008, or the deletion of this proviso, in accordance with the requirements of Sections 611 and 901(8), or
- (4) release the Guarantor from its payment obligations under the Guarantee for any series of Securities.

A supplemental indenture which changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of one or more particular series of Securities, or which modifies the rights of the Holders of Securities of such series with respect to such covenant or other provision, shall be deemed not to affect the rights under this Indenture of the Holders of Securities of any other series.

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

903. Execution of Supplemental Indentures. In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Section 601) shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee’s own rights, duties or immunities under this Indenture or otherwise.

904. Effect of Supplemental Indentures. Upon the execution of any supplemental indenture under this Article, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Securities theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

905. Conformity with Trust Indenture Act. Every supplemental indenture executed pursuant to this Article shall conform to the requirements of the Trust Indenture Act.

906. Reference in Securities to Supplemental Indentures. Securities of any series authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the

Company or the Guarantor shall so determine, new Securities of any series so modified as to conform, in the opinion of the Trustee and the Company and the Guarantor, to any such supplemental indenture may be prepared and executed by the Company, the Guarantees endorsed thereon may be executed by the Guarantor and such Securities may be authenticated and delivered by the Trustee in exchange for Outstanding Securities of such series.

ARTICLE 10
COVENANTS

1001. Payment of Principal, Premium and Interest. The Company covenants and agrees for the benefit of each series of Securities that it will duly and punctually pay the principal of and any premium and interest on the Securities of that series in accordance with the terms of the Securities and this Indenture. The performance by the Guarantor of the obligations of the Company under this Section 1001 shall also be deemed to constitute performance thereof by the Company.

1002. Maintenance of Office or Agency. The Company will maintain in each Place of Payment for any series of Securities an office or agency where Securities of that series may be presented or surrendered for payment, where Securities of that series may be surrendered for registration of transfer or exchange and where notices and demands to or upon the Company in respect of the Securities of that series and this Indenture may be served. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee, and the Company hereby appoints the Trustee as its agent to receive all such presentations, surrenders, notices and demands.

The Company may also from time to time designate one or more other offices or agencies where the Securities of one or more series may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in each Place of Payment for Securities of any series for such purposes. The Company will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

1003. Money for Securities Payments to Be Held in Trust. If the Company or the Guarantor shall at any time act as Paying Agent with respect to any series of Securities, it will, on or before each due date of the principal of or any premium or interest on any of the Securities of that series, segregate and hold in trust for the benefit of the Persons entitled thereto a sum sufficient to pay the principal and any premium and interest so becoming due until such sums shall be paid to such Persons or otherwise disposed of as herein provided and will promptly notify the Trustee of its action or failure so to act.

Whenever the Company shall have one or more Paying Agent for any series of Securities, it will, prior to each due date of the principal of or any premium or interest on any Securities of that series, deposit with a Paying Agent a sum sufficient to pay such amount, such sum to be held as provided by the Trust Indenture Act, and (unless such Paying Agent is the Trustee) the Company will promptly notify the Trustee of its action or failure so to act.

The Company will cause each Paying Agent for any series of Securities other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such Paying Agent will (1) comply with the provisions of the Trust Indenture Act applicable to it as a Paying Agent and (2) during the continuance of any default by the Company or the Guarantor (or any other obligor upon the Securities of that series) in the making of any payment in respect of the Securities of that series, upon the written request of the Trustee, forthwith pay to the Trustee all sums held in trust by such Paying Agent for payment in respect of the Securities of that series.

The Company may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Company Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Company or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Company or such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company or the Guarantor, in trust for the payment of the principal of or any premium or interest on any Security of any series and remaining unclaimed for two years after such principal, premium or interest has become due and payable shall be paid to the Company or the Guarantor, as the case may be, on Company Request, or (if then held by the Company or the Guarantor) shall be discharged from such trust; and the Holder of such Security shall thereafter, as an unsecured general creditor, look only to the Company and the Guarantor for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company or the Guarantor as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in a newspaper published in the English language, customarily published on each Business Day and of general circulation in the Borough of Manhattan, The City of New York, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the Company or the Guarantor, as the case may be.

1004. Statement by Officers as to Default. The Company and the Guarantor will deliver to the Trustee, within 120 days after the end of each fiscal year of the Guarantor ending after the date hereof, an Officers' Certificate stating that a review of the activities of the Company, the Guarantor and the Subsidiaries during the preceding fiscal year has been

made under the supervision of such officers with a view to determining whether the Company and the Guarantor have kept, performed, fulfilled and observed their obligations under this Indenture and stating as to each such officer signing such Officers' Certificate that, to the best of such officers' knowledge, the Company and the Guarantor have kept, observed, performed and fulfilled each and every covenant contained in this Indenture and is not in default in the performance and observance of any of the terms, provisions and conditions of this Indenture (without regard to any period of grace or requirement of notice provided hereunder) and, if the Company and/or the Guarantor is in default, specifying all such defaults and the nature and status thereof of which such officer may have knowledge.

The Company and the Guarantor will, so long as any of the Securities are outstanding, deliver to the Trustee forthwith upon becoming aware of (i) an Event of Default or default in the performance of a covenant or agreement or condition contained in this Indenture or (ii) any default or Event of Default of the type provided for herein specifying such default or Event of Default, notice of such default or Event of Default.

1005. Existence. Subject to Article Eight and Article Fourteen, each of the Company and the Guarantor will do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights (charter and statutory) and franchises and the existence, rights (charter and statutory) and franchises of the Subsidiaries; provided, however, that neither the Company nor the Guarantor shall be required to preserve any such right or franchise if the Board of Directors thereof shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company or Guarantor, as the case may be, and that the loss thereof is not disadvantageous in any material respect to the Holders.
1006. Maintenance of Properties. Each of the Company and Guarantor will cause all properties used or useful in the conduct of its business or the business of any Subsidiary to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment and will cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the judgment of the Company or the Guarantor, as the case may be, may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times; provided, however, that nothing in this Section shall prevent the Company or the Guarantor, as the case may be, from discontinuing the operation or maintenance of any of such properties if such discontinuance is, in the judgment of the Company or the Guarantor, as the case may be, desirable in the conduct of its business or the business of any Subsidiary and not disadvantageous in any material respect to the Holders.
1007. Payment of Taxes and Other Claims. Each of the Company and Guarantor will pay or discharge or cause to be paid or discharged, before the same shall become delinquent, (1) all taxes, assessments and governmental charges levied or imposed upon the Company or the Guarantor, as the case may be, or any Subsidiary or upon the income, profits or property of the Company, the Guarantor or any Subsidiary, and (2) all lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien upon the property of the Company, the Guarantor or any Subsidiary; provided, however, that the

Company and Guarantor, as the case may be, shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings.

1008. Waiver of Certain Covenants. Except as otherwise specified as contemplated by Section 301 for Securities of such series, the Company or the Guarantor, as the case may be, may, with respect to the Securities of any series, omit in any particular instance to comply with any term, provision or condition set forth in Section 1009 or 1010 with respect to the Securities of such series or in any covenant provided pursuant to Section 301(19), 901(2) or 901(7) for the benefit of the Holders of such series, if before the time for such compliance the Holders of at least a majority in principal amount of the Outstanding Securities of such series shall, by Act of such Holders, either waive such compliance in such instance or generally waive compliance with such term, provision or condition, but no such waiver shall extend to or affect such term, provision or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Company and the Guarantor and the duties of the Trustee in respect of any such term, provision or condition shall remain in full force and effect.

1009. Limitation on Liens.

(a) The Guarantor will not, and will not permit any Restricted Subsidiary to, create, incur, assume or guarantee any indebtedness for money borrowed (hereinafter in Sections 1009 and 1010 referred to as "Debt"), secured by a mortgage, security interest, pledge, lien, charge or similar encumbrance (mortgages, security interests, pledges, liens, charges and other encumbrances, hereinafter in Sections 1009 and 1010 referred to as a "Mortgage") upon any Principal Property of the Guarantor or any Restricted Subsidiary or upon any shares of stock or indebtedness or any Restricted Subsidiary (whether such Principal Property, shares of stock or indebtedness are now owned or hereafter acquired) without in any such case effectively providing concurrently with the issuance, assumption or guaranty of any such Debt that the Guarantees of the Outstanding Securities (together with, if the Guarantor shall so determine, any other indebtedness of or guarantee by the Guarantor or such Restricted Subsidiary ranking equally with the Guarantees of the Outstanding Securities and then existing or thereafter created) shall be secured equally and ratably with such Debt; provided, however, that the foregoing restrictions shall not apply to Debt secured by:

- (1) Mortgages on property, shares of stock or indebtedness of any corporation existing at the time such corporation becomes a Restricted Subsidiary;
- (2) Mortgages on property existing at the time of acquisition of such property by the Guarantor or a Restricted Subsidiary, Mortgages to secure the payment of all or any part of the purchase price of such property incurred prior to, at the time of, or within 180 days after

the acquisition of such property by the Guarantor or a Restricted Subsidiary, or Mortgages to secure any Debt incurred prior to, at the time of, or within 180 days after the completion of construction or commencement of full operation of any property for the purpose of financing all or any part of the cost to the Guarantor or a Restricted Subsidiary of improvements to such property;

- (3) Mortgages securing Debt of a Restricted Subsidiary owing to the Guarantor or to another Restricted Subsidiary;
 - (4) Mortgages existing at the date of this Indenture;
 - (5) Mortgages on property of a corporation existing at the time such corporation is merged into or consolidated with the Guarantor or a Restricted Subsidiary or at the time of a sale, lease or other disposition of the properties of a corporation as an entirety or substantially as an entirety to the Guarantor or a Restricted Subsidiary;
 - (6) Mortgages on property of the Guarantor or a Restricted Subsidiary in favor of the United States of America or any State thereof, or any department, agency, instrumentality or political subdivision thereof, to secure any payments, including advance or progress payments, pursuant to any contract or statute or to secure any indebtedness incurred or guaranteed for the purpose of financing all or any part of the purchase price or the cost of construction of the property subject to such Mortgages (including, but not limited to, Mortgages incurred in connection with pollution control bonds, industrial revenue bonds or similar financings); or
 - (7) any extension, renewal or replacement (or successive extensions, renewals or replacements), in whole or in part, of any Mortgage referred to in the foregoing clauses (1) to (6), inclusive; provided, however, that such extension, renewal or replacement shall be limited to all or a part of the property which secured the Mortgage so extended, renewed or replaced (plus improvements on such property).
- (b) Notwithstanding the foregoing provisions of this Section 1009, the Guarantor and any one or more Restricted Subsidiaries may issue, assume or guarantee Debt secured by a Mortgage which would otherwise be subject to the foregoing restrictions in an aggregate amount which, together with all other outstanding Debt of the Guarantor and its Restricted Subsidiaries which (if originally issued, assumed or guaranteed at such time) would otherwise be subject to the foregoing restrictions (not including Debt permitted to be secured under clauses (1) through (7) above), does not at the time exceed the greater of \$1,000,000,000 or 10%

of Consolidated Net Tangible Assets of the Guarantor and its consolidated Subsidiaries as shown on the most recent consolidated financial statements of the Guarantor and its consolidated Subsidiaries.

1010. Limitation on Sale and Lease-Back. The Guarantor will not, nor will it permit any Restricted Subsidiary to, enter into any arrangement with any Person that provides for the leasing to the Guarantor or any Restricted Subsidiary of any Principal Property (except for leases for a term of not more than three years and except for leases between the Guarantor and a Restricted Subsidiary or between Restricted Subsidiaries), which Principal Property has been or is to be sold or transferred by the Guarantor or such Restricted Subsidiary to such person, unless (a) the Guarantor or such Restricted Subsidiary would be entitled, pursuant to the provisions of Section 1009, to issue, assume or guarantee Debt secured by a Mortgage upon such Principal Property at least equal in the amount to the Attributable Debt in respect of such arrangement without equally and ratably securing the Guarantees of the Outstanding Securities; provided, however, that from and after the date on which such arrangement becomes effective the Attributable Debt in respect of such arrangement shall be deemed for all purposes under Sections 1009 and 1010 to be Debt subject to the provisions of Section 1009, or (b) the Gurantor shall apply an amount in cash equal to the greater of the net proceeds of such sale or the Attributable Debt in respect of such an arrangement to the retirement (other than any mandatory retirement or by way or payment at maturity), within 120 days of the effective date of any such arrangement, of Debt (except as otherwise provided by the terms of any series of Outstanding Securities) of the Guarantor or any Restricted Subsidiary (other than the Debt owed by the Company or any Restricted Subsidiary to the Guarantor or any Restricted Subsidiary) which by its terms matures at or is extendible or renewable at the opinion of the obligor to a date more than twelve months after the date of the creation of such Debt.

For the purposes of this Section 1010, the term "Attributable Debt" means, at the time of determination, the lesser of (a) the fair market value of such property (as determined by the Board of Directors of the Guarantor) or (b) the present value (discounted at the rate implicit in the terms of the relevant lease) of the obligation of the lessee for net rental payments during the remaining term of the lease (including any period for which such lease has been extended).

ARTICLE 11
REDEMPTION OF SECURITIES

1101. Applicability of Article. Securities of any series which are redeemable before their Stated Maturity shall be redeemable in accordance with their terms and (except as otherwise specified as contemplated by Section 301(7) or (8) for such Securities) in accordance with this Article.

1102. Election to Redeem; Notice to Trustee. The election of the Company to redeem any Securities shall be evidenced by a Board Resolution or in another manner specified as contemplated by Section 301(7) for such Securities. In case of any redemption at the election of the Company of less than all the Securities of any series (including any such

redemption affecting only a single Security), the Company shall, at least 60 days prior to the Redemption Date fixed by the Company (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee in writing of such Redemption Date, of the principal amount of Securities of such series to be redeemed and, if applicable, of the tenor of the Securities to be redeemed. In the case of any redemption of Securities (a) prior to the expiration of any restriction on such redemption provided in the terms of such Securities or elsewhere in this Indenture, or (b) pursuant to an election of the Company which is subject to a condition specified in the terms of such Securities or elsewhere in this Indenture, the Company shall furnish the Trustee with an Officers' Certificate evidencing compliance with such restriction or condition.

1103. Selection by Trustee of Securities to Be Redeemed. If less than all the Securities of any series are to be redeemed (unless all the Securities of such series and of a specified tenor are to be redeemed or unless such redemption affects only a single Security), the particular Securities to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Trustee, from the Outstanding Securities of such series not previously called for redemption, by such method as the Trustee shall deem fair and appropriate and which may provide for the selection for redemption of a portion of the principal amount of any Security of such series, provided that the unredeemed portion of the principal amount of any Security shall be in an authorized denomination (which shall not be less than the minimum authorized denomination) for such Security. If less than all the Securities of such series and of a specified tenor are to be redeemed (unless such redemption affects only a single Security), the particular Securities to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Trustee, from the Outstanding Securities of such series and specified tenor not previously called for redemption in accordance with the preceding sentence.

The Trustee shall promptly notify the Company in writing of the Securities selected for redemption as aforesaid and, in case of any Securities selected for partial redemption as aforesaid, the principal amount thereof to be redeemed.

The provisions of the two preceding paragraphs shall not apply with respect to any redemption affecting only a single Security, whether such Security is to be redeemed in whole or in part. In the case of any such redemption in part, the unredeemed portion of the principal amount of the Security shall be in an authorized denomination (which shall not be less than the minimum authorized denomination) for such Security.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Securities shall relate, in the case of any Securities redeemed or to be redeemed only in part, to the portion of the principal amount of such Securities which has been or is to be redeemed.

1104. Notice of Redemption. Notice of redemption shall be given by first-class mail, postage prepaid, mailed not less than 30 nor more than 60 days prior to the Redemption Date, to each Holder of Securities to be redeemed, at his address appearing in the Security Register.

All notices of redemption shall state:

- (1) the Redemption Date,
- (2) the Redemption Price, or if not then ascertainable, the manner of calculation thereof,
- (3) if less than all the Outstanding Securities of any series consisting of more than a single Security are to be redeemed, the identification (and, in the case of partial redemption of any such Securities, the principal amounts) of the particular Securities to be redeemed and, if less than all the Outstanding Securities of any series consisting of a single Security are to be redeemed, the principal amount of the particular Security to be redeemed,
- (4) that on the Redemption Date the Redemption Price will become due and payable upon each such Security to be redeemed and, if applicable, that interest thereon will cease to accrue on and after said date,
- (5) the place or places where each such Security is to be surrendered for payment of the Redemption Price, and
- (6) that the redemption is for a sinking fund, if such is the case.

Notice of redemption of Securities to be redeemed at the election of the Company shall be given by the Company or, at the Company's request, by the Trustee in the name and at the expense of the Company.

1105. Deposit of Redemption Price. Prior to any Redemption Date, the Company shall deposit with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 1003) an amount of money sufficient to pay the Redemption Price of, and (except if the Redemption Date shall be an Interest Payment Date) accrued interest on, all the Securities which are to be redeemed on that date.

1106. Securities Payable on Redemption Date. Notice of redemption having been given as aforesaid, the Securities so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Company shall default in the payment of the Redemption Price and accrued interest) such Securities shall cease to bear interest. Upon surrender of any such Security for redemption in accordance with said notice, such Security shall be paid by the Company at the Redemption Price, together with accrued interest to the Redemption Date; provided, however, that, unless otherwise specified as contemplated by Section 301, installments of interest whose Stated Maturity is on or prior to the Redemption Date will be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such at the close of business on the relevant Record Dates according to their terms and the provisions of Section 307.

If any Security called for redemption shall not be so paid upon surrender thereof for redemption, the principal and any premium shall, until paid, bear interest from the Redemption Date at the rate prescribed therefor in the Security.

1107. Securities Redeemed in Part. Any Security which is to be redeemed only in part shall be surrendered at a Place of Payment therefor (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing), and the Company shall execute, and the Trustee shall authenticate and deliver to the Holder of such Security without service charge, a new Security or Securities of the same series and of like tenor, of any authorized denomination as requested by such Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Security so surrendered.

ARTICLE 12 SINKING FUNDS

1201. Applicability of Article. The provisions of this Article shall be applicable to any sinking fund for the retirement of Securities of any series except as otherwise specified as contemplated by Section 301 for such Securities.

The minimum amount of any sinking fund payment provided for by the terms of any Securities is herein referred to as a “mandatory sinking fund payment”, and any payment in excess of such minimum amount provided for by the terms of such Securities is herein referred to as an “optional sinking fund payment”. If provided for by the terms of any Securities, the cash amount of any sinking fund payment may be subject to reduction as provided in Section 1202. Each sinking fund payment shall be applied to the redemption of Securities as provided for by the terms of such Securities.

1202. Satisfaction of Sinking Fund Payments with Securities. The Company (1) may deliver Outstanding Securities of a series (other than any previously called for redemption) and (2) may apply as a credit Securities of a series which have been redeemed either at the election of the Company pursuant to the terms of such Securities or through the application of permitted optional sinking fund payments pursuant to the terms of such Securities, in each case in satisfaction of all or any part of any sinking fund payment with respect to any Securities of such series required to be made pursuant to the terms of such Securities as and to the extent provided for by the terms of such Securities; provided that the Securities to be so credited have not been previously so credited. The Securities to be so credited shall be received and credited for such purpose by the Trustee at the Redemption Price, as specified in the Securities so to be redeemed, for redemption through operation of the sinking fund and the amount of such sinking fund payment shall be reduced accordingly.

1203. Redemption of Securities for Sinking Fund. Not less than 60 days prior to each sinking fund payment date for any Securities, the Company will deliver to the Trustee an Officers’ Certificate specifying the amount of the next ensuing sinking fund payment for such Securities pursuant to the terms of such Securities, the portion thereof, if any, which

is to be satisfied by payment of cash and the portion thereof, if any, which is to be satisfied by delivering and crediting Securities pursuant to Section 1202 and stating the basis for such credit and that such Securities have not been previously so credited and will also deliver to the Trustee any Securities to be so delivered. Not less than 30 days prior to each such sinking fund payment date, the Trustee shall select the Securities to be redeemed upon such sinking fund payment date in the manner specified in Section 1103 and cause notice of the redemption thereof to be given in the name of and at the expense of the Company in the manner provided in Section 1104. Such notice having been duly given, the redemption of such Securities shall be made upon the terms and in the manner stated in Sections 1106 and 1107.

ARTICLE 13
DEFEASANCE AND COVENANT DEFEASANCE

1301. Applicability of Article; Company's Option to Effect Defeasance or Covenant Defeasance. Unless otherwise provided with respect to a series of Securities pursuant to Section 301, this Article Thirteen shall be applicable to the Securities of such series, and the Company may at its option by Board Resolution, at any time, with respect to the Securities of such series, elect to have either Section 1302 (if applicable) or Section 1303 (if applicable) be applied to the Outstanding Securities of such series upon compliance with the conditions set forth below in this Article Thirteen.
1302. Defeasance and Discharge. Upon the Company's exercise of its option (if any) to have this Section applied to any Securities or any series of Securities, as the case may be, each of the Company and the Guarantor shall be deemed to have been discharged from its obligations with respect to such Securities (and any related Guarantee) as provided in this Section on and after the date the conditions set forth in Section 1304 are satisfied (hereinafter called "Defeasance"). For this purpose, such Defeasance means that the Company and the Guarantor shall be deemed to have paid and discharged the entire indebtedness represented by such Securities (and any related Guarantee) and to have satisfied all its other obligations under such Securities, the related Guarantee and this Indenture insofar as such Securities (and any such related Guarantee) are concerned (and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging the same), subject to the following which shall survive until otherwise terminated or discharged hereunder: (1) the rights of Holders of such Securities to receive, solely from the trust fund described in Section 1304 and as more fully set forth in such Section, payments in respect of the principal of and any premium and interest on such Securities when payments are due, (2) the Company's obligations with respect to such Securities under Sections 304, 305, 306, 1002 and 1003, (3) the rights, powers, trusts, duties and immunities of the Trustee hereunder, and (4) this Article. Subject to compliance with this Article, the Company may exercise its option (if any) to have this Section applied to any Securities notwithstanding the prior exercise of its option (if any) to have Section 1303 applied to such Securities.
1303. Covenant Defeasance. Upon the Company's exercise of its option (if any) to have this Section applied to any Securities or any series of Securities, as the case may be, (1) each of the Company and the Guarantor shall be released from its obligations under Sections

1006, 1007, 1009 and 1010 (and any other Sections or covenants applicable to such Securities that are determined pursuant to Section 301 to be subject to this provision), and any covenants provided pursuant to Section 301(19), 901(2) or 901(7) for the benefit of the Holders of such Securities, and (2) the occurrence of any event specified in Section 501(4) (with respect to Sections 1006, 1007, 1009 and 1010 and any other Sections or covenants applicable to such Securities that are determined pursuant to Section 301 to be subject to this provision, and any such covenants provided pursuant to Sections 301(19), 901(2) or 901(7)) and 501(8) shall be deemed not to be or result in an Event of Default, in each case with respect to such Securities as provided in this Section on and after the date the conditions set forth in Section 1304 are satisfied (hereinafter called "Covenant Defeasance"). For this purpose, such Covenant Defeasance means that, with respect to such Securities (and any related Guarantee), the Company and the Guarantor may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such specified Section (to the extent so specified in the case of Section 501(4)), whether directly or indirectly by reason of any reference elsewhere herein to any such Section or Article or by reason of any reference in any such Section or Article to any other provision herein or in any other document, but the remainder of this Indenture and such Securities (and any related Guarantee) shall be unaffected thereby.

1304. Conditions to Defeasance or Covenant Defeasance. The following shall be the conditions to the application of Section 1302 or Section 1303 to any Securities or any series of Securities, as the case may be:

- (1) The Company or the Guarantor shall irrevocably have deposited or caused to be deposited with the Trustee (or another trustee which satisfies the requirements contemplated by Section 609 and agrees to comply with the provisions of this Article applicable to it) as trust funds in trust for the purpose of making the following payments, specifically pledged as security for, and dedicated solely to, the benefit of the Holders of such Securities, (A) in the case of Securities of such series denominated in U.S. dollars, (i) money in an amount, (ii) U.S. Government Obligations that through the scheduled payment of principal and interest in respect thereof in accordance with their terms will provide, not later than one day before the due date of any payment, money in an amount, or (iii) a combination thereof, in each case sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay and discharge, and which shall be applied by the Trustee (or any such other qualifying trustee) to pay and discharge, the principal of and any premium and interest on such Securities on the respective Stated Maturities or on the applicable Redemption Date or Dates, in accordance with the terms of this Indenture and such Securities. As used herein, "U.S. Government Obligation" means (x) any security that is (i) a direct obligation of the United States of America for the payment of which the full faith and credit of the United States of America is pledged or (ii) an obligation 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 (i) or (ii), is not callable or redeemable at the option of the issuer thereof, and (y) any

depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act) as custodian with respect to any U.S. Government Obligation which is specified in Clause (x) above and held by such bank for the account of the holder of such depository receipt, or with respect to any specific payment of principal of or interest on any U.S. Government Obligation which is so specified and held, 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 principal or interest evidenced by such depository receipt; or (B) in the case of Securities of such series denominated in a currency other than the U.S. dollar, (i) money in such currency in an amount, or (ii) Foreign Government Obligations that through the scheduled payment of principal and interest in respect thereof in accordance with their terms will provide, not later than one day before the due date of any payment, money in such currency in an amount, or (iii) a combination thereof, in each case sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay and discharge, and which shall be applied by the Trustee (or any such other qualifying trustee) to pay and discharge, the principal of and any premium and interest on the Securities of such series on the respective Stated Maturities or on the applicable Redemption Date or Dates, in accordance with the terms of this Indenture and the Securities of such series. As used herein, "Foreign Government Obligation" means (x) any security that is (i) a direct obligation of the government that issued such currency for the payment of which full faith and credit of such government is pledged or (ii) an obligation of a Person controlled or supervised by and acting as an agency or instrumentality for such government the payment of which is unconditionally guaranteed as a full faith and credit obligation by such government, which, in either case (i) or (ii), is not callable or redeemable at the option of the issuer thereof, and (y) any depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act) as custodian with respect to any Foreign Government Obligation which is specified in clause (x) and held by such bank for the account of the holder of such depository receipt, or with respect to any specific payment of principal of or interest on any such Foreign Government Obligation which is so specified and held, 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 Foreign Government Obligation or the specific payment of principal or interest evidenced by such depository receipt.

- (2) In the event of an election to have Section 1302 apply to any Securities or any series of Securities, as the case may be, the Company or the Guarantor shall have delivered to the Trustee an Opinion of Counsel stating that (A) the Company or the Guarantor, as the case may be, has received from, or there has been published by, the Internal Revenue Service a ruling or (B) since the date of this instrument, there has been a change in the applicable Federal income tax law, in either case (A) or (B) to the effect that, and based thereon such opinion shall confirm that, the Holders of such Securities will not recognize gain or loss for Federal income tax

purposes as a result of the deposit, Defeasance and discharge to be effected with respect to such Securities and will be subject to Federal income tax on the same amount, in the same manner and at the same times as would be the case if such deposit, Defeasance and discharge were not to occur.

- (3) In the event of an election to have Section 1303 apply to any Securities or any series of Securities, as the case may be, the Company or the Guarantor shall have delivered to the Trustee an Opinion of Counsel to the effect that the Holders of such Securities will not recognize gain or loss for Federal income tax purposes as a result of the deposit and Covenant Defeasance to be effected with respect to such Securities and will be subject to Federal income tax on the same amount, in the same manner and at the same times as would be the case if such deposit and Covenant Defeasance were not to occur.
- (4) The Company or the Guarantor shall have delivered to the Trustee an Officers' Certificate to the effect that neither such Securities nor any other Securities of the same series, if then listed on any securities exchange, will be delisted as a result of such deposit.
- (5) No event which is, or after notice or lapse of time or both would become, an Event of Default with respect to such Securities or any other Securities shall have occurred and be continuing at the time of such deposit or, with regard to any such event specified in Sections 501(5) and (6), at any time on or prior to the 90th day after the date of such deposit (it being understood that this condition shall not be deemed satisfied until after such 90th day).
- (6) Such Defeasance or Covenant Defeasance shall not cause the Trustee to have a conflicting interest within the meaning of the Trust Indenture Act (assuming all Securities are in default within the meaning of such Act).
- (7) Such Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under, any other agreement or instrument to which the Company is a party or by which it is bound.
- (8) Such Defeasance or Covenant Defeasance shall not result in the trust arising from such deposit constituting an investment company within the meaning of the Investment Company Act unless such trust shall be registered under such Act or exempt from registration thereunder.
- (9) If the Securities are to be redeemed prior to the Stated Maturity (other than from mandatory sinking fund payments or analogous payments), notice of such redemption shall have been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee shall have been made.
- (10) The Company or the Guarantor shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent with respect to such Defeasance or Covenant Defeasance have been complied with.

1305. Deposited Money and U.S. Government Obligations to Be Held in Trust; Miscellaneous Provisions. Subject to the provisions of the last paragraph of Section 1003, all money and U.S. Government Obligations or Foreign Government Obligations (including the proceeds thereof) deposited with the Trustee or other qualifying trustee (solely for purposes of this Section and Section 1306, the Trustee and any such other trustee are referred to collectively as the “Trustee”) pursuant to Section 1304 in respect of any Securities shall be held in trust and applied by the Trustee, in accordance with the provisions of such Securities and this Indenture, to the payment, either directly or through any such Paying Agent (including the Company or the Guarantor acting as Paying Agent) as the Trustee may determine, to the Holders of such Securities, of all sums due and to become due thereon in respect of principal and any premium and interest, but money so held in trust need not be segregated from other funds except to the extent required by law.

The Company and Guarantor jointly and severally agree to pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the U.S. Government Obligations or Foreign Government Obligations deposited pursuant to Section 1304 or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of Outstanding Securities.

Anything in this Article to the contrary notwithstanding, the Trustee shall deliver or pay to the Company or the Guarantor from time to time upon Company Request any money or U.S. Government Obligations or Foreign Government Obligations held by it as provided in Section 1304 with respect to any Securities that, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, are in excess of an amount thereof which would then be required to be deposited to effect the Defeasance or Covenant Defeasance, as the case may be, with respect to such Securities.

1306. Reinstatement. If the Trustee or the Paying Agent is unable to apply any money in accordance with this Article with respect to any Securities by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the obligations under this Indenture and such Securities from which the Company and the Guarantor have been discharged or released pursuant to Section 1302 or 1303 shall be revived and reinstated as though no deposit had occurred pursuant to this Article with respect to such Securities, until such time as the Trustee or Paying Agent is permitted to apply all money held in trust pursuant to Section 1305 with respect to such Securities in accordance with this Article; provided, however, that if the Company or Guarantor makes any payment of principal of or any premium or interest on any such Security following such reinstatement of its obligations, the Company or the Guarantor, as the case may be, shall be subrogated to the rights (if any) of the Holders of such Securities to receive such payment from the money so held in trust.

1307. Qualifying Trustee. Any trustee appointed pursuant to Section 1304 hereof for the purpose of holding trust funds deposited pursuant to that Section shall be appointed under an agreement in form acceptable to the Trustee and shall provide to the Trustee a certificate of such trustee, upon which certificate the Trustee shall be entitled to

conclusively rely, that all conditions precedent provided for herein to the related Defeasance or Covenant Defeasance have been complied with. In no event shall the Trustee be liable for any acts or omissions of said trustee.

ARTICLE 14
GUARANTEE

1401. Guarantee. The Guarantor hereby irrevocably and unconditionally guarantees, as a primary obligor and not merely as a surety, to the Trustee and to each Holder (1) the full and punctual payment when due, whether at Maturity, by acceleration, by redemption or otherwise, of all obligations of the Company under this Indenture (including obligations to the Trustee) and the Securities, whether for payment of principal, interest, or premium, if any, on, the Securities, the payment of any sinking fund payment, if any, provided for with respect to any such Security and all other monetary obligations of the Company under this Indenture and the Securities, and (2) the full and punctual performance within applicable grace periods of all other obligations of the Company whether for fees, expenses, indemnification or otherwise under this Indenture and the Securities (all the foregoing being herein collectively called the “Guaranteed Obligations”); and the Guarantor hereby agrees to pay any and all expenses (including reasonable counsel fees and expenses) incurred by such Holder or the Trustee in enforcing any rights under this Guarantee. Without limiting the generality of the foregoing, the Guarantor’s liability shall extend to all amounts that constitute part of the Guaranteed Obligations and would be owed by the Company to such Holder or the Trustee under the Securities or this Indenture but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving the Company because it is the intention of the Guarantor, the Trustee and the Holders that the Guaranteed Obligations should be determined without regard to any rule of law or order that might relieve the Company of any portion of the Guaranteed Obligations. The Guarantor further agrees that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice to or further assent from the Guarantor, and that the Guarantor shall remain bound under this Article notwithstanding any extension or renewal of any Guaranteed Obligation. The Guarantee shall be substantially as set forth in Section 206 hereof.

Notwithstanding anything to the contrary in this Agreement, the Guarantor, and the Trustee and each Holder by accepting the benefits of this Guarantee, each hereby confirms that it is its respective intention that the guarantee by the Guarantor pursuant to this Guarantee, shall not constitute a fraudulent transfer or conveyance for purposes of any applicable provisions of Title 11 of the United States Code, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act, or any similar federal or state law. To effectuate the foregoing intention, the Trustee, the Holders and the Guarantor hereby irrevocably agree that the obligations of the Guarantor will be limited to the maximum amount which, after giving effect to all other contingent and fixed liabilities of the Guarantor, will result in the obligations of the Guarantor under its Guarantee not constituting a fraudulent conveyance or fraudulent transfer under federal or state law. Until such time as the Securities of any series are paid in full, the Guarantor, with respect to such series of Securities, hereby waives all rights of subrogation, whether arising by

contract or operation of law (including, without limitation, any such right arising under federal bankruptcy law) or otherwise by reason of any payment by it pursuant to the provisions of this Article.

1402. Guarantee Absolute. The Guarantor guarantees that the Guaranteed Obligations will be paid or performed strictly in accordance with the terms of the Securities and this Indenture, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of any Holder with respect thereto. The obligations of the Guarantor under this Guarantee are independent of the Guaranteed Obligations, and a separate action or actions may be brought and prosecuted against the Guarantor to enforce this Guarantee, irrespective of whether any action is brought against the Company or whether the Company is joined in any such action or actions. The liability of the Guarantor under this Guarantee shall be absolute and unconditional irrespective of:

- (1) any lack of validity or enforceability of the Securities or this Indenture or any agreement or instrument relating to the Securities or this Indenture or any failure of any Holder or the Trustee to assert any claim or demand or to enforce the provisions thereof;
- (2) any renewal, extension or other change in the time, manner or place of payment or performance of, or in any other term of, all or any of the Guaranteed Obligations, or any other amendment or waiver of or any consent to the departure from the Securities or this Indenture;
- (3) any settlement, compromise, release or discharge, or acceptance or refusal of any offer of performance with respect to, or any substitution for, the Guaranteed Obligations or any agreement related thereto and/or any subordination of the payment of the same to the payment of any other obligations;
- (4) any taking, exchange, release or non-perfection of any mortgage, lien, pledge, claim, charge, security interest or encumbrance of any kind, whether or not filed, recorded or otherwise perfected under applicable law in any real or personal property as collateral to secure payment or performance of any or all of the Guaranteed Obligations, whether now or hereafter granted, or any taking, release, amendment, waiver of, or consent to the departure from any other guarantee, for all or any of the Guaranteed Obligations;
- (5) any manner of application of any collateral, or proceeds thereof, to all or any of the Guaranteed Obligations, or any manner of sale or other disposition of any collateral or any other assets of the Company;
- (6) any assignment, pledge or other transfer of any indebtedness or any evidence thereof;
- (7) any change, restructuring or termination of the corporate structure or existence of the Company; or

- (8) any other circumstance (including, without limitation, any statute of limitations) that might otherwise constitute a defense available to, or a discharge of, the Company or the Guarantor of the Guaranteed Obligations.

This Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations is rescinded or must otherwise be returned by any Holder or the Trustee upon the insolvency, bankruptcy or reorganization of the Company or for any other reason, all as though such payment had not been made. The Guarantor further agrees, to the fullest extent that it may lawfully do so, that, as between such Guarantor on the one hand, and the Holders and the Trustee, on the other hand, (i) the maturity of the obligations guaranteed hereby may be accelerated as provided in Section 502 of this Indenture for the purposes of this Guarantee, notwithstanding any stay, injunction or other prohibition extant under any applicable bankruptcy law preventing such acceleration in respect of the obligations guaranteed hereby, and (ii) in the event of any declarations of acceleration of such obligations as provided in Section 502 of this Indenture, such obligations (whether or not due and payable) shall forthwith become due and payable by the Guarantor for the purpose of this Guarantee.

In furtherance of the foregoing and not in limitation of any other right which any Holder or the Trustee has at law or in equity against the Guarantor by virtue hereof, upon the failure of the Company to pay the principal of or interest on any Guaranteed Obligation when and as the same shall become due, whether at maturity, by acceleration, by redemption or otherwise, or to perform or comply with any other Guaranteed Obligation, the Guarantor, hereby promises to and shall, upon receipt of written demand by the Trustee, forthwith pay, or cause to be paid, in cash, to the Holders or the Trustee an amount equal to the sum of (1) the unpaid principal amount of such Guaranteed Obligations, (2) accrued and unpaid interest on such Guaranteed Obligations (but only to the extent not prohibited by law) and (3) all other monetary obligations of the Company to the Holders and the Trustee. The Guarantor hereby agrees that in the event of a default by it in payment of the principal or interest on any Guaranteed Obligation, whether at maturity, by acceleration, by redemption or otherwise, legal proceedings may be instituted by the Trustee on behalf of the Holders or, subject to Section 507, by the Holders, on the terms and conditions set forth in this Indenture, directly against the Guarantor to enforce the Guarantee without first proceeding against the Company. The Guarantor agrees that this Guarantee is a guaranty of payment and not of collection.

Upon request of the Trustee, the Guarantor shall execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purposes of this Indenture.

1403. Waiver. The Guarantor hereby waives:

- (1) promptness, diligence, presentment, notice of acceptance and any other notice with respect to any of the Guaranteed Obligations and this Guarantee;

- (2) any requirement to file any claims with a court in the event of merger or bankruptcy of the Company or any guarantor of the Guaranteed Obligations;
- (3) any right to require a proceeding first against the Company or any other guarantor of the Guaranteed Obligations;
- (4) the benefit of discussion or protest or notice with respect to any of the Securities or the indebtedness evidenced thereby;
- (5) any requirement that any Holder or the Trustee protect, secure, perfect or insure any lien or any collateral or exhaust any right or take any action against the Company or any other Person or any collateral, including the right to which the Guarantor may be entitled to have the assets of the Company first be used and depleted as payment of the Company's or such Guarantor's obligations hereunder prior to any amounts being claimed from or paid by the Guarantor hereunder;
- (6) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of the Company;
- (7) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in any other respects more burdensome than that of the principal;
- (8) any defense based upon any errors or omissions of the Trustee or the Holders' administration of the Guaranteed Obligations; and
- (9) any rights to set-offs, recoupments and counterclaims

1404. Financial Condition of the Company. The Guarantor represents and warrants that it presently is informed of the financial condition of the Company and of all other circumstances which a diligent inquiry would reveal and which bear upon the risk of nonpayment of the Guaranteed Obligations. The Guarantor hereby covenants that it will continue to keep itself reasonably informed of the Company's financial condition and of all other circumstances which bear upon the risk of nonpayment and hereby waives any duty on the part of the Trustee or any Holder to disclose or discuss with the Guarantor its assessment, or the Guarantor's assessment, of the financial condition of the Company.

1405. Subrogation. The Guarantor will not exercise any rights that it may acquire by way of subrogation under this Guarantee, by any payment made hereunder or otherwise, until all the Guaranteed Obligations shall have been indefeasibly paid in full in cash. If any amount shall be paid to the Guarantor on account of any such subrogation rights at any time when all the Guaranteed Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of the Holders and the Trustee and shall forthwith be paid to the Trustee, on behalf of the Holders, to be credited and applied to the Guaranteed Obligations, whether matured or unmatured.

1406. Modifications and/or Amendments. Except as otherwise provided in this Indenture, no modification, amendment or waiver of any provision of this Article, nor the consent to

any departure by the Guarantor therefrom, shall in any event be effective unless the same shall be in writing and signed by the Trustee, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the Guarantor in any case shall entitle the Guarantor to any other or further notice or demand in the same, similar or other circumstances.

1407. No Waiver, Remedies. No failure on the part of any Holder or the Trustee to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.
1408. Continuing Guarantee. This Guarantee is a continuing guarantee and shall (a) subject to reinstatement as provided for in Section 1403, remain in full force and effect until the payment in full (including deemed payment resulting in defeasance and discharge of the Company pursuant to Article Thirteen of this Indenture) of all Guaranteed Obligations and all other amounts payable under this Guarantee, (b) be binding upon the Guarantor and its permitted successors and assigns and (c) inure to the benefit of and be enforceable as provided herein by each Holder and the Trustee and their respective successors, transferees and assigns.
1409. Consolidation, Merger, Conveyance, Transfer or Lease. The Guarantor shall not consolidate with or merge into any other Person or convey, transfer or lease its properties and assets substantially as an entirety to any Person, unless:
- (1) the corporation formed by such consolidation or into which the Guarantor is merged or the Person which acquires by conveyance or transfer, or which leases, the properties and assets of the Guarantor substantially as an entirety shall be a corporation, partnership, limited liability company or trust, shall be organized and validly existing under the laws of the United States of America, any State thereof or the District of Columbia and shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, the Guaranteed Obligations and the performance or observance of every covenant of this Indenture on the part of the Guarantor to be performed or observed;
 - (2) immediately after giving effect to such transaction and treating any indebtedness which becomes an obligation of the successor Guarantor as a result of such transaction as having been incurred by the successor Guarantor at the time of such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have happened and be continuing; and
 - (3) the Guarantor has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, conveyance, transfer or lease and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture comply with this Article and that all

conditions precedent herein provided for relating to such transaction have been complied with.

1410. Successor Substituted. Upon any consolidation of the Guarantor with, or merger of the Guarantor into, any other Person or any conveyance, transfer or lease of the properties and assets of the Guarantor substantially as an entirety in accordance with Section 1409, the successor Person formed by such consolidation or into which the Guarantor is merged or to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Guarantor under this Indenture with the same effect as if such successor Person had been named as the Guarantor herein, and thereafter, except in the case of a lease, the predecessor Person shall be relieved of all obligations and covenants under this Indenture, the Securities and the Guarantee.
1411. Transfer of Guarantee. The Guarantor hereby acknowledges that any agreement, instrument or document evidencing the Guarantee may be transferred and that the benefit of its obligations hereunder shall extend to each holder of any agreement, instrument or document evidencing the Guarantee without notice to the Guarantor.
1412. Non-Impairment. The Guarantor hereby agrees that the Guarantee as set forth in Section 206 hereof shall remain in full force and effect notwithstanding any failure to endorse on each Security a notation relating to the Guarantee. The Guarantee on the Securities shall be executed on behalf of the Guarantor by its Chief Executive Officer, its Chief Operating Officer, its President, its Chief Financial Officer, its Treasurer, or one of its Vice Presidents. The signature of any of these officers on the Guarantee on the Securities may be manual or facsimile. If any officer of the Guarantor, whose signature is on this Indenture or a Guarantee endorsed on a Security no longer holds office at the time the Trustee authenticates such Security or at any time thereafter, the validity of the Guarantee of such Security shall not be affected or impaired.

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

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, all as of the day and year first above written.

NORTHROP GRUMMAN SYSTEMS FINANCE LLC,
as Issuer

By: _____
Name:
Title:

NORTHROP GRUMMAN CORPORATION, as
Guarantor

By: _____
Name:
Title:

THE BANK OF NEW YORK MELLON, as
Trustee

By: _____
Name:
Title:

July 29, 2008

Northrop Grumman Corporation
Northrop Grumman S&MS Finance, LLC
Northrop Grumman Systems Finance, LLC
1840 Century Park East
Los Angeles, California 90067

Re: Registration Statement on Form S-3

Ladies and Gentlemen:

We have acted as counsel to Northrop Grumman Corporation, a Delaware corporation (the "Company"), Northrop Grumman S&MS Finance, LLC, a Delaware limited liability company and indirect wholly-owned subsidiary of the Company ("NGS&MSF"), and Northrop Grumman Systems Finance, LLC, a Delaware limited liability company and indirect wholly-owned subsidiary of the Company ("NGSF" and, together with NGS&MSF, the "Finance Subsidiaries"), in connection with the filing by the Company and the Finance Subsidiaries (collectively, the "Issuers") of a registration statement on Form S-3 (the "Registration Statement") on the date hereof with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"). The Registration Statement registers the following securities (collectively, the "Securities") to be offered and sold from time to time, on an immediate, continuous or delayed basis, pursuant to Rule 415 under the Securities Act:

- (i) shares of common stock, par value \$1.00 per share, of the Company (the "Common Stock");
- (ii) unsecured senior debt securities, in one or more series, of the Company (the "Company Debt Securities"), certain of which may be convertible into shares of Common Stock;
- (iii) unsecured senior debt securities, in one or more series, of either Finance Subsidiary (the "Finance Subsidiary Debt Securities" and, together with the Company Debt Securities, the "Debt Securities"); and
- (iv) full and unconditional guarantees (the "Guarantees") by the Company (in such capacity, the "Guarantor") of the Finance Subsidiary Debt Securities.

The shares of Common Stock issued or issuable upon the sale of Common Stock or the conversion of Company Debt Securities are referred to herein collectively as the "Common Shares".

This opinion is being furnished at your request in accordance with the requirements of Item 16 of Form S-3 and Item 601(b)(5)(i) of Regulation S-K promulgated by the Commission.

Any Company Debt Securities are to be issued pursuant to that certain Indenture, dated as of November 21, 2001 (together with any related supplement thereto or other amendment thereof, including any supplement for the purpose of adding any guarantors as a party, the "Company Indenture"), by and between the Company and The Bank of New York Mellon (successor in interest to JPMorgan Chase Bank), as trustee. Any Finance Subsidiary Debt Securities are to be issued pursuant to an indenture proposed to be entered into among such Finance Subsidiary, the Guarantor, and an indenture trustee to be named therein (each such indenture, together with any related supplement thereto or other amendment thereof, including any supplement for the purpose of adding any additional guarantors as a party, a "Finance Subsidiary Indenture"). The term "Indentures" includes the Company Indenture and the Finance Subsidiary Indentures.

In connection with this opinion, we have examined such matters of fact and questions of law as we have considered appropriate for purposes of rendering the opinions expressed below. In addition, we have been furnished with and have examined originals or copies of the Registration Statement, the Issuers' respective charter documents, the corporate and limited liability company proceedings taken by the Issuers with respect to the filing of the Registration Statement and the issuance of the Securities, the Company Indenture, and the originals or copies, certified or otherwise identified to our satisfaction, of such records, documents, certificates, memoranda and other instruments as we have considered necessary to provide a basis for the opinions hereinafter expressed. In such examination, we assumed that the documents and instruments submitted to us have not been amended or modified since the date submitted and the due execution and delivery of all documents where due execution and delivery are a prerequisite to the effectiveness thereof.

Also, we have relied as to certain matters on information obtained from public officials, officers of the respective Issuers and other sources believed by us to be responsible, and we have assumed, without independent verification, that the parties to documents executed or to be executed, other than the Issuers, had or will have the capacity, if an individual, or the power, corporate or other, if an entity, to enter into and perform all obligations thereunder, the due authorization thereof by all requisite action, corporate or other, of such parties, and the due execution and delivery thereof by such parties, and that the signatures on documents examined by us are genuine. In particular, we have assumed that the Company Indenture has been duly authorized, executed and delivered by the original trustee thereunder and duly assigned to and assumed by the successor trustee thereunder, that all other governing documents under which the Securities are to be issued will have been duly authorized, executed and delivered by all parties thereto other than the Issuers, and that any Debt Securities that may be issued pursuant to an Indenture will be manually signed or countersigned, as the case may be, by duly authorized officers of the trustee thereunder.

In addition, we have also assumed that at the time of the issuance and sale of the Securities, (i) the Registration Statement (including all necessary post-effective amendments thereto) will have become effective under the Securities Act; (ii) a prospectus supplement relating to and describing such Securities will have been duly prepared and filed with the Commission; and (iii) the terms of the Debt Securities and Guarantees, and of their issuance and sale, will have been duly established in conformity with the applicable Indenture (including any applicable supplemental indentures) and the resolutions of the board of directors or board of managers, as the case may be, or a duly authorized committee thereof, of the applicable Issuer, so as not to, and that the execution and delivery by the Issuers and Guarantor of, and the performance of their respective obligations under, such Debt Securities or Guarantee and Indenture, will not, violate, breach, conflict with or constitute a default under (A) the charter documents of the Issuer or, if applicable, the Guarantor, or the resolutions of the board of directors or board of managers, as applicable, of the Issuer and, if applicable, the Guarantor relating to such transactions, (B) any agreement or instrument to which the Issuer or, if applicable, the Guarantor or its properties is then subject, (C) any law, rule or regulation to which the Issuer or, if applicable, the Guarantor or its properties is then subject, (D) any judicial or regulatory order or decree of any governmental authority having jurisdiction over the Issuer or, if applicable, the Guarantor or its properties, or (E) any consent, approval, license, authorization or validation of, or filing, recording or registration with, any such governmental authority. We also have assumed that the Issuers and the Guarantor are and, at the time of any such issuance and sale of Securities, will continue to be, duly organized, validly existing and in good standing under the laws of their respective jurisdictions of incorporation or formation.

We have also assumed that (i) the stock certificates to be issued to represent the Common Shares, if certificated, will conform to the specimen Common Stock certificate submitted to us, (ii) shares of Common Stock currently reserved by the Company will remain available for the issuance of the Common Shares, and (iii) none of the Issuers' respective charter documents, or the corporate or limited liability company proceedings taken by the Issuers with respect to the filing of the Registration Statement and the issuance of the Securities, will be rescinded, amended or otherwise modified prior to the issuance of the Securities. We have obtained from officers of the respective Issuers a certificate as to certain factual matters and, insofar as this opinion is based on matters of fact, we have relied on such certificate without independent investigation.

Based upon and subject to the foregoing and the qualifications and limitations set forth below, it is our opinion that:

(1) The Company Indenture has been duly authorized, executed and delivered by the Company. When a supplemental indenture to the Company Indenture relating to the Company Debt Securities being offered by the Company has been duly authorized, executed and delivered by each party thereto in accordance with the Company Indenture; when such Company Debt Securities have been duly executed and authenticated in accordance with the Company Indenture and any resolutions of the board of directors or officers' certificate of the Company to be adopted or delivered in connection with the issuance of such Debt Securities; when such Company Debt Securities have been issued and sold as contemplated in the Registration Statement and registered in the name of and duly delivered to the purchasers thereof upon payment of the agreed upon consideration therefor in accordance with the Company Indenture and any duly authorized, executed and delivered underwriting, purchase, agency or similar agreement; and if all the foregoing actions are taken pursuant to authority granted in resolutions duly adopted by the board of directors of the Company, or a duly authorized committee thereof, such Company Debt Securities will constitute valid and legally binding obligations of the Company.

(2) When the indenture trustee is qualified to act as trustee under the applicable Finance Subsidiary Indenture; when such Finance Subsidiary Indenture has been duly qualified under the Trust Indenture Act of 1939, as amended; when such Finance Subsidiary Indenture has been duly authorized, executed and delivered by the Finance Subsidiary, the Guarantor and such indenture trustee; when a supplemental indenture to such Finance Subsidiary Indenture relating to Finance Subsidiary Debt Securities being offered by the Finance Subsidiary and Guarantee being offered by the Guarantor has been duly authorized, executed and delivered by each party thereto in accordance with such Finance Subsidiary Indenture; when such Finance Subsidiary Debt Securities and Guarantee have been duly executed and authenticated in accordance with such Finance Subsidiary Indenture and any resolutions of the board of managers or officers' certificate of such Finance Subsidiary and the board of directors or officers' certificate of the Guarantor, as the case may be, to be adopted or delivered in connection with the issuance of such Finance Subsidiary Debt Securities or Guarantee; when such Finance Subsidiary Debt Securities and Guarantee have been issued and sold as contemplated in the Registration Statement and registered in the name of and duly delivered to the purchasers thereof upon payment of the agreed upon consideration therefor in accordance with such Finance Subsidiary Indenture and any duly authorized, executed and delivered underwriting, purchase, agency or similar agreement; and if all the foregoing actions are taken pursuant to authority granted in resolutions duly adopted by the board of managers of such Finance Subsidiary and the board of directors of the Guarantor, or in either case a duly authorized committee thereof, as the case may be, such Finance Subsidiary Debt Securities and Guarantee will constitute valid and legally binding obligations of such Finance Subsidiary and the Guarantor, as the case may be.

(3) When the terms of the Common Shares and of their issuance and sale have been duly established in conformity with the Company's certificate of incorporation and bylaws; when such Common Shares have been duly issued and sold as contemplated by the Registration Statement; if such Common Shares are issued in certificated form, when the stock certificates to be issued to represent such Common Shares have been properly executed by the Company and countersigned by its transfer agent and registrar therefor in accordance with Section 158 of the Delaware General Corporation Law and Section 6.01 of the Company's bylaws and registered in the name of and duly delivered to, or if such Common Shares are issued in uncertificated form, such Common Shares have been properly registered by the Company or its transfer agent in the name of, the purchasers thereof upon payment of the agreed upon consideration therefor, which consideration has a value of not less than the par value per Common Share, in accordance with any duly authorized, executed and delivered underwriting, purchase, agency or similar agreement; and if all the foregoing actions are taken pursuant to authority granted in resolutions duly adopted by the board of directors of the Company, or a duly authorized committee thereof, which resolutions specify the price or a pricing mechanism per share; and if, in the case of Common Shares issuable upon the conversion of other Securities, the Debt Securities which are convertible into such Common Shares have been duly authorized, executed and delivered; the Common Shares will be validly issued, fully paid and non-assessable.

The opinions set forth in paragraphs (1) and (2) 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, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles, (ii) public policy considerations which may limit the rights of parties to obtain remedies, and (iii) the implied covenants of good faith and fair dealing. We express no opinions concerning (i) the validity or enforceability of any provision contained in any Security or Indenture that purports 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 any 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 laws.

The foregoing opinions are limited to the Federal laws of the United States, the laws of the State of New York as they relate to the validity and enforceability of documents, agreements and instruments referred to herein, the laws of the State of California, and the General Corporation Law and Limited Liability Company Act of the State of Delaware, the applicable provisions of the Constitution of the State of Delaware, and reported decisions of the Delaware courts interpreting such laws and Constitution, and we are expressing no opinion as to the effect of the laws of any other jurisdiction.

This opinion letter is rendered as of the date first written above and we disclaim any obligation to advise you of facts, circumstances, events or developments which hereafter may be brought to our attention and which may alter, affect or modify the opinion expressed herein. Our opinion is expressly limited to the matters set forth above and we render no opinion, whether by implication or otherwise, as to any other matters relating to the Registration Statement, any prospectuses contained therein or related thereto, any Issuer, any Securities, any Indenture, or any other agreements or transactions that may be related thereto or contemplated thereby. We are expressing no opinion as to any obligations that parties other than the Issuers may have under or in respect of the Debt Securities or Indentures, or as to the effect that their performance of such obligations may have upon any of the matters referred to above.

Northrop Grumman Corporation
Northrop Grumman S&MS Finance, LLC
Northrop Grumman Systems Finance, LLC
July 29, 2008
Page 5

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to our firm under the caption “Validity of the Debt and Equity Securities” in the prospectus contained therein. In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Act.

Very truly yours,

/s/ SHEPPARD, MULLIN, RICHTER &
HAMPTON LLP

NORTHROP GRUMMAN CORPORATION
COMPUTATION OF RATIOS OF EARNINGS TO FIXED CHARGES

(Amounts in millions)

	Year Ended December 31,					Six Months Ended June 30,	
	2007	2006	2005	2004	2003	2008	2007
Earnings:							
Income from continuing operations before income taxes	\$ 2,698	\$ 2,316	\$ 2,092	\$ 1,596	\$ 1,060	\$ 1,148	\$ 1,271
Fixed Charges:							
Interest expense, including amortization of debt premium	336	347	388	431	497	149	172
Portion of rental expenses on operating leases deemed to be representative of the interest factor:	\$ 195	\$ 183	\$ 170	\$ 151	\$ 154	\$ 100	\$ 91
Income from continuing operations before income taxes and fixed charges	3,229	2,846	2,650	2,178	1,711	1,397	1,534
Fixed Charges:	\$ 531	\$ 530	\$ 558	\$ 582	\$ 651	\$ 249	\$ 263
Ratio of earnings to fixed charges	<u>6.1</u>	<u>5.4</u>	<u>4.7</u>	<u>3.7</u>	<u>2.6</u>	<u>5.6</u>	<u>5.8</u>

Note: The ratios of earnings to fixed charges should be read in conjunction with the Northrop Grumman Corporation financial statements and other financial data included by reference in this registration statement.

LETTER FROM INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

July 29, 2008

Northrop Grumman Corporation
1840 Century Park East
Los Angeles, California 90067

We have reviewed, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (the "Standards"), the unaudited interim financial information of Northrop Grumman Corporation and subsidiaries (the "Company") for the three-month periods ended March 31, 2008 and 2007, and have issued our report dated April 24, 2008. The Company has not presented revised financial statements for the three-month periods ended March 31, 2008 and 2007 that reflect the reclassification of certain programs and assets from the Company's Mission Systems reporting segment to its Space Technology reporting segment that became effective June 30, 2008. We have also reviewed, in accordance with the Standards, the unaudited interim financial information of the Company for the three- and six-month periods ended June 30, 2008 and 2007, and have issued our report dated July 29, 2008. As indicated in such reports, because we did not perform an audit, we expressed no opinion on that information.

We are aware that our reports referred to above, which were included in the Company's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2008 and June 30, 2008, are being incorporated by reference in this Registration Statement.

We also are aware that the aforementioned reports, pursuant to Rule 436(c) under the Securities Act of 1933, are not considered a part of the Registration Statement prepared or certified by an accountant or a report prepared or certified by an accountant within the meaning of Sections 7 and 11 of that Act.

/s/ Deloitte & Touche LLP
Los Angeles, California

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in this Registration Statement on Form S-3 of our report dated February 20, 2008 (July 29, 2008 as to the reclassification of Electro-Optical Systems as a discontinued operation and the reclassification of segment information as described in Notes 5 and 6) relating to the financial statements and financial statement schedule of Northrop Grumman Corporation (which report expresses an unqualified opinion and includes an explanatory paragraph relating to Northrop Grumman Corporation's adoption of new accounting standards), and of our report dated February 20, 2008 relating to the effectiveness of Northrop Grumman Corporation's internal control over financial reporting, appearing in the Current Report on Form 8-K of Northrop Grumman Corporation dated July 29, 2008, and to reference to us under the heading of "Experts" in the Prospectus, which is part of this Registration Statement.

/s/ Deloitte & Touche LLP
Los Angeles, California
July 29, 2008

POWER OF ATTORNEY – NORTHROP GRUMMAN CORPORATION DIRECTORS

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned directors of NORTHROP GRUMMAN CORPORATION, a Delaware corporation (the “Company”), hereby nominate and appoint W. BURKS TERRY and STEPHEN D. YSLAS, and each of them acting or signing singly, as his or her agents and attorneys-in-fact (the “Agents”), in his or her respective name and in the capacity or capacities indicated below, to execute and/or file, with all exhibits thereto, and other documents in connection therewith, (1) a registration statement on Form S-3 under the Securities Act of 1933, as amended (the “Act”), in connection with the registration under the Act of debt securities and common stock, and guarantees of the debt securities of direct or indirect finance subsidiaries of the Company, (including the final prospectus, schedules and all exhibits and other documents filed therewith or constituting a part thereof); (2) any one or more amendments to any part of the foregoing registration statement, including any post-effective amendments, or appendices or supplements that may be required to be filed under the Act to keep such registration statement effective or to terminate its effectiveness; and (3) any subsequent registration statement filed by the Company pursuant to Rule 462(b) of the Securities Act.

Further, the undersigned do hereby authorize and direct such agents and attorneys-in-fact to take any and all actions and execute and file any and all documents with the Securities and Exchange Commission (the “SEC”), or state regulatory agencies, necessary, proper or convenient in their opinion to comply with the Act and the rules and regulations or orders of the SEC, or state regulatory agencies, adopted or issued pursuant thereto, including the making of any requests for acceleration of the effective date of said registration statement, to the end that the registration statement of the Company shall become effective under the Act and any other applicable law.

Finally, each of the undersigned does hereby ratify, confirm and approve each and every act and document which the said appointment agents and attorneys-in-fact may take, execute or file pursuant thereto with the same force and effect as though such action had been taken or such documents had been executed or filed by the undersigned respectively.

This Power of Attorney shall remain in full force and effect until revoked or superseded by written notice filed with the SEC.

<u>Signature</u>	<u>Date</u>
<u>/s/ Lewis W. Coleman</u> Lewis W. Coleman	July 25, 2008
<u>/s/ Thomas B. Fargo</u> Thomas B. Fargo	July 25, 2008
<u>/s/ Victor H. Fazio</u> Victor H. Fazio	July 25, 2008
<u>/s/ Donald E. Felsing</u> Donald E. Felsing	July 25, 2008
<u>/s/ Stephen E. Frank</u> Stephen E. Frank	July 25, 2008
<u>/s/ Phillip Frost</u> Phillip Frost	July 25, 2008
<u>/s/ Charles R. Larson</u> Charles R. Larson	July 25, 2008
<u>/s/ Richard B. Myers</u> Richard B. Myers	July 25, 2008
<u>/s/ Aulana L. Peters</u> Aulana L. Peters	July 25, 2008
<u>/s/ Kevin W. Sharer</u> Kevin W. Sharer	July 25, 2008

FORM T-1

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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)

THE BANK OF NEW YORK MELLON
(Exact name of trustee as specified in its charter)

New York
(State of incorporation
if not a U.S. national bank)

13-5160382
(I.R.S. employer
identification no.)

One Wall Street, New York, N.Y.
(Address of principal executive offices)

10286
(Zip code)

Northrop Grumman Corporation
(Exact name of obligor as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

95-4840775
(I.R.S. employer
identification no.)

1840 Century Park East
Los Angeles, California
(Address of principal executive offices)

90067
(Zip code)

Senior Debt Securities
(Title of the indenture securities)

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.

Name	Address
Superintendent of Banks of the State of New York	One State Street, New York, N.Y. 10004-1417, and Albany, N.Y. 12223
Federal Reserve Bank of New York	33 Liberty Street, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York 10005

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

2. Affiliations with Obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

16. List of Exhibits.

Exhibits identified in parentheses below, on file with the Commission, are incorporated herein by reference as an exhibit hereto, pursuant to Rule 7a-29 under the Trust Indenture Act of 1939 (the "Act") and 17 C.F.R. 229.10(d).

1. A copy of the Organization Certificate of The Bank of New York Mellon (formerly known as The Bank of New York, itself formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672, Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637 and Exhibit 1 to Form T-1 filed with Registration Statement No. 333-121195.)
4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 333-121195.)

6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 333-106702.)
7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York Mellon, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in The City of New York, and State of New York, on the 21st day of July, 2008.

THE BANK OF NEW YORK MELLON

By: /s/ Cheryl Clarke

Cheryl Clarke

Vice President

Consolidated Report of Condition of

THE BANK OF NEW YORK

of One Wall Street, New York, N.Y. 10286
 And Foreign and Domestic Subsidiaries,

a member of the Federal Reserve System, at the close of business March 31, 2008, published in accordance with a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federal Reserve Act.

Dollar Amounts
 In Thousands

ASSETS	
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	4,545,000
Interest-bearing balances	29,795,000
Securities:	
Held-to-maturity securities	1,739,000
Available-for-sale securities	24,149,000
Federal funds sold and securities purchased under agreements to resell:	
Federal funds sold in domestic offices	14,850,000
Securities purchased under agreements to resell	0
Loans and lease financing receivables:	
Loans and leases held for sale	0
Loans and leases, net of unearned income	34,834,000
LESS: Allowance for loan and lease losses	237,000
Loans and leases, net of unearned income and allowance	34,597,000
Trading assets	5,456,000
Premises and fixed assets (including capitalized leases)	908,000
Other real estate owned	4,000
Investments in unconsolidated subsidiaries and associated companies	781,000
Not applicable	
Intangible assets:	
Goodwill	2,445,000
Other intangible assets	987,000
Other assets	8,086,000
Total assets	<u>128,342,000</u>

LIABILITIES

Deposits:	
In domestic offices	32,973,000
Noninterest-bearing	18,760,000
Interest-bearing	14,213,000
In foreign offices, Edge and Agreement subsidiaries, and IBFs	61,040,000
Noninterest-bearing	1,544,000
Interest-bearing	59,496,000
Federal funds purchased and securities sold under agreements to repurchase:	
Federal funds purchased in domestic offices	1,001,000
Securities sold under agreements to repurchase	86,000
Trading liabilities	4,981,000
Other borrowed money: (includes mortgage indebtedness and obligations under capitalized leases)	4,200,000
Not applicable	
Not applicable	
Subordinated notes and debentures	2,955,000
Other liabilities	12,465,000
Total liabilities	<u>119,701,000</u>
Minority interest in consolidated subsidiaries	160,000

EQUITY CAPITAL

Perpetual preferred stock and related surplus	0
Common stock	1,135,000
Surplus (exclude all surplus related to preferred stock)	2,375,000
Retained earnings	6,178,000
Accumulated other comprehensive income	-1,207,000
Other equity capital components	0
Total equity capital	<u>8,481,000</u>
Total liabilities, minority interest, and equity capital	<u>128,342,000</u>

I, Bruce W. Van Saun, Chief Financial Officer of the above-named bank do hereby declare that this Report of Condition is true and correct to the best of my knowledge and belief.

Bruce W. Van Saun,
Chief Financial Officer

We, the undersigned directors, attest to the correctness of this statement of resources and liabilities. We 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 and is true and correct.

Gerald L. Hassell Steven
G. Elliott Robert P. Kelly



Directors

FORM T-1

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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)

THE BANK OF NEW YORK MELLON
(Exact name of trustee as specified in its charter)

New York
(State of incorporation
if not a U.S. national bank)

13-5160382
(I.R.S. employer
identification no.)

One Wall Street, New York, N.Y.
(Address of principal executive offices)

10286
(Zip code)

Northrop Grumman S&MS Finance, LLC
(Exact name of obligor as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

34-0575430
(I.R.S. employer
identification no.)

Northrop Grumman Corporation
(Exact name of obligor as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

95-4840775
(I.R.S. employer
identification no.)

1840 Century Park East
Los Angeles, California
(Address of principal executive offices)

90067
(Zip code)

Senior Debt Securities
Guarantees of Senior Debt Securities
(Title of the indenture securities)

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.

Name	Address
Superintendent of Banks of the State of New York	One State Street, New York, N.Y. 10004-1417, and Albany, N.Y. 12223
Federal Reserve Bank of New York	33 Liberty Street, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York 10005

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

2. Affiliations with Obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

16. List of Exhibits.

Exhibits identified in parentheses below, on file with the Commission, are incorporated herein by reference as an exhibit hereto, pursuant to Rule 7a-29 under the Trust Indenture Act of 1939 (the "Act") and 17 C.F.R. 229.10(d).

1. A copy of the Organization Certificate of The Bank of New York Mellon (formerly known as The Bank of New York, itself formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672, Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637 and Exhibit 1 to Form T-1 filed with Registration Statement No. 333-121195.)
4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 333-121195.)

6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 333-106702.)
7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York Mellon, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in The City of New York, and State of New York, on the 21st day of July, 2008.

THE BANK OF NEW YORK MELLON

By: /s/ Cheryl Clarke
Cheryl Clarke
Vice President

Consolidated Report of Condition of

THE BANK OF NEW YORK

of One Wall Street, New York, N.Y. 10286

And Foreign and Domestic Subsidiaries,

a member of the Federal Reserve System, at the close of business March 31, 2008, published 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 Thousands
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	4,545,000
Interest-bearing balances	29,795,000
Securities:	
Held-to-maturity securities	1,739,000
Available-for-sale securities	24,149,000
Federal funds sold and securities purchased under agreements to resell:	
Federal funds sold in domestic offices	14,850,000
Securities purchased under agreements to resell	0
Loans and lease financing receivables:	
Loans and leases held for sale	0
Loans and leases, net of unearned income	34,834,000
LESS: Allowance for loan and lease losses	237,000
Loans and leases, net of unearned income and allowance	34,597,000
Trading assets	5,456,000
Premises and fixed assets (including capitalized leases)	908,000
Other real estate owned	4,000
Investments in unconsolidated subsidiaries and associated companies	781,000
Not applicable	
Intangible assets:	
Goodwill	2,445,000
Other intangible assets	987,000
Other assets	8,086,000
Total assets	<u>128,342,000</u>

LIABILITIES

Deposits:	
In domestic offices	32,973,000
Noninterest-bearing	18,760,000
Interest-bearing	14,213,000
In foreign offices, Edge and Agreement subsidiaries, and IBFs	61,040,000
Noninterest-bearing	1,544,000
Interest-bearing	59,496,000
Federal funds purchased and securities sold under agreements to repurchase:	
Federal funds purchased in domestic offices	1,001,000
Securities sold under agreements to repurchase	86,000
Trading liabilities	4,981,000
Other borrowed money:	
(includes mortgage indebtedness and obligations under capitalized leases)	4,200,000
Not applicable	
Not applicable	
Subordinated notes and debentures	2,955,000
Other liabilities	<u>12,465,000</u>
Total liabilities	<u>119,701,000</u>
Minority interest in consolidated subsidiaries	160,000

EQUITY CAPITAL

Perpetual preferred stock and related surplus	0
Common stock	1,135,000
Surplus (exclude all surplus related to preferred stock)	2,375,000
Retained earnings	6,178,000
Accumulated other comprehensive income	-1,207,000
Other equity capital components	0
Total equity capital	<u>8,481,000</u>
Total liabilities, minority interest, and equity capital	<u>128,342,000</u>

I, Bruce W. Van Saun, Chief Financial Officer of the above-named bank do hereby declare that this Report of Condition is true and correct to the best of my knowledge and belief.

Bruce W. Van Saun,
Chief Financial Officer

We, the undersigned directors, attest to the correctness of this statement of resources and liabilities. We 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 and is true and correct.

Gerald L. Hassell
Steven G. Elliott
Robert P. Kelly

]

Directors

FORM T-1

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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)

THE BANK OF NEW YORK MELLON
(Exact name of trustee as specified in its charter)

New York
(State of incorporation
if not a U.S. national bank)

13-5160382
(I.R.S. employer
identification no.)

One Wall Street, New York, N.Y.
(Address of principal executive offices)

10286
(Zip code)

Northrop Grumman Systems Finance, LLC
(Exact name of obligor as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

95-1055798
(I.R.S. employer
identification no.)

Northrop Grumman Corporation
(Exact name of obligor as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

95-4840775
(I.R.S. employer
identification no.)

1840 Century Park East
Los Angeles, California
(Address of principal executive offices)

90067
(Zip code)

Senior Debt Securities
Guarantees of Senior Debt Securities
(Title of the indenture securities)

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.

Name	Address
Superintendent of Banks of the State of New York	One State Street, New York, N.Y. 10004-1417, and Albany, N.Y. 12223
Federal Reserve Bank of New York	33 Liberty Street, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York 10005

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

2. Affiliations with Obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

16. List of Exhibits.

Exhibits identified in parentheses below, on file with the Commission, are incorporated herein by reference as an exhibit hereto, pursuant to Rule 7a-29 under the Trust Indenture Act of 1939 (the "Act") and 17 C.F.R. 229.10(d).

1. A copy of the Organization Certificate of The Bank of New York Mellon (formerly known as The Bank of New York, itself formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672, Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637 and Exhibit 1 to Form T-1 filed with Registration Statement No. 333-121195.)
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6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 333-106702.)
7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York Mellon, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in The City of New York, and State of New York, on the 21st day of July, 2008.

THE BANK OF NEW YORK MELLON

By: /s/ Cheryl Clarke

Cheryl Clarke
Vice President

Consolidated Report of Condition of

THE BANK OF NEW YORK

of One Wall Street, New York, N.Y. 10286

And Foreign and Domestic Subsidiaries,

a member of the Federal Reserve System, at the close of business March 31, 2008, published in accordance with a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federal Reserve Act.

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Loans and leases held for sale	0
Loans and leases, net of unearned income	34,834,000
LESS: Allowance for loan and lease losses	237,000
Loans and leases, net of unearned income and allowance	34,597,000
Trading assets	5,456,000
Premises and fixed assets (including capitalized leases)	908,000
Other real estate owned	4,000
Investments in unconsolidated subsidiaries and associated companies	781,000
Not applicable	
Intangible assets:	
Goodwill	2,445,000
Other intangible assets	987,000
Other assets	8,086,000
Total assets	<u>128,342,000</u>

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Common stock	1,135,000
Surplus (exclude all surplus related to preferred stock)	2,375,000
Retained earnings	6,178,000
Accumulated other comprehensive income	-1,207,000
Other equity capital components	0
Total equity capital	<u>8,481,000</u>
Total liabilities, minority interest, and equity capital	<u>128,342,000</u>

I, Bruce W. Van Saun, Chief Financial Officer of the above-named bank do hereby declare that this Report of Condition is true and correct to the best of my knowledge and belief.

Bruce W. Van Saun,
Chief Financial Officer

We, the undersigned directors, attest to the correctness of this statement of resources and liabilities. We 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 and is true and correct.

Gerald L. Hassell
Steven G. Elliott
Robert P. Kelly

]

Directors

CERTIFICATE OF FORMATION**OF****Northrop Grumman S&MS Finance, LLC**

This Certificate of Formation of Northrop Grumman S&MS Finance, LLC (the "Company") is being duly executed and filed by an authorized person, to form a limited liability company under the Delaware Limited Liability Company Act (6 Del.C. §§ 18-101, et seq.).

FIRST. The name of the limited liability company formed is:

Northrop Grumman S&MS Finance, LLC

SECOND. The address of its registered office in the State of Delaware is c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, City of Wilmington, County of New Castle, Delaware 19801.

THIRD. The name and address of its registered agent for service of process on the Company in the State of Delaware is The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, City of Wilmington, County of New Castle, Delaware 19801.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation of Northrop Grumman S&MS Finance, LLC this 1st day of July, 2008.

Authorized Person:

/s/ James R. Nelson

James R. Nelson

NORTHROP GRUMMAN S&MS FINANCE, LLC
LIMITED LIABILITY COMPANY AGREEMENT

JULY 1, 2008

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**LIMITED LIABILITY COMPANY AGREEMENT OF
NORTHROP GRUMMAN S&MS FINANCE, LLC,
a Delaware limited liability company**

THIS LIMITED LIABILITY COMPANY AGREEMENT (as amended and in effect from time to time, this “**Agreement**”) is made and entered into as of the 1st day of July, 2008, pursuant to the Delaware Limited Liability Company Act, Title 6, §§ 18-101, *et. seq.*, as amended (as further amended or otherwise modified from time to time, the “**Act**”), by Northrop Grumman Space & Mission Systems Corp. (together with its successors and permitted assigns, the “**Member**”).

WHEREAS, the Member has formed Northrop Grumman S&MS Finance, LLC (the “**Company**”) as a Delaware limited liability company under the Act;

WHEREAS, the Member hereby adopts and approves the Certificate of Formation of the Company;

WHEREAS, the Company has not yet commenced operations; and

WHEREAS, the Member is hereby entering into this Agreement to form and provide for the governance of the Company and the conduct of its business and affairs.

NOW, THEREFORE, in consideration of the agreements and mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged by the parties hereto, the undersigned hereby agree as follows:

**ARTICLE 1
FORMATION OF COMPANY**

Section 1.01 Formation. The Certificate of Formation, complying with the applicable requirements of the Act, has been duly filed with the Secretary of State of the State of Delaware on July 1, 2008, File Number 4567044 (as such articles may be amended, corrected, restated or otherwise modified and in force from time to time, the “**Certificate of Formation**”). Upon the filing of the Certificate of Formation, the person filing the same ceased to be an authorized person of the Company. The Board of Managers (as defined in Section 3.01 below) may designate any person for purposes of executing such further documents and to take such further action as shall be appropriate or necessary to comply with the requirements of law for the formation and operation of a limited liability company in all states and counties where the Company elects to carry on its business.

Section 1.02 Term. The term of the Company shall continue until the Company is dissolved and its affairs wound up in accordance with the provisions of this Agreement.

Section 1.03 Name. The name of the Company shall be “Northrop Grumman S&MS Finance, LLC”.

Section 1.04 Place of Business. The Company may locate its places of business at any place or places as the Board of Managers may deem advisable.

Section 1.05 Registered Office and Registered Agent. The registered agent for service of process on the Company in the State of Delaware shall be as specified in the Certificate of Formation from time to time. The Board of Managers may designate a different registered agent for service of

process on the Company by designating any person to amend the Certificate of Formation in accordance with the Act to change such registered agent.

Section 1.06 Members. The Member is the sole member admitted to the Company on the date hereof. Unless and until additional members are admitted to the Company pursuant to Section 8.05, the Member will own 100% of the “limited liability company interests” (as such term is defined in the Act) of the Company (the “*Interests*”).

ARTICLE 2 BUSINESS OF COMPANY

Section 2.01 Purposes. The Company is formed for the object and purpose of, and the nature of the business to be conducted and promoted by the Company is, engaging in any lawful business, purpose or activity, whether or not for profit, for which limited liability companies may be formed under Delaware law.

Section 2.02 Powers. In furtherance of its purposes, but subject to all of the provisions of this Agreement and the Act, the Company shall have the right, power and authority to engage in all activities and transactions necessary or desirable to accomplish its purposes and to do any other act or thing incidental or ancillary thereto, including the following:

(a) acquire by purchase, lease, contribution of property or otherwise, own, hold, sell, convey, transfer or dispose of any personal property which may be necessary, convenient or incidental to the accomplishment of any purpose of the Company;

(b) act as a trustee, nominee, bailee, manager, agent or in some other fiduciary capacity for any person or entity (each, a “*Person*”) and to exercise all of the authorities, powers, duties and rights and perform all of the obligations and responsibilities associated therewith, including the granting or approval of waivers, consents or amendments of rights or powers relating thereto and the execution of appropriate documents to evidence such waivers, consents or amendments;

(c) offer, issue, and sell notes, bonds, debentures and other securities, in public or private sale, including debt issued under an indenture, in furtherance of any or all of the purposes of the Company, and secure the same by mortgage, pledge or other lien on the securities or other assets of the Company;

(d) prepay in whole or in part, refinance, recast, increase, modify or extend any indebtedness of the Company and, in connection therewith, execute any extensions, renewals or modifications of any indenture under which such indebtedness is issued or any mortgage or security agreement securing such indebtedness;

(e) invest any funds of the Company pending distribution or payment of the same pursuant to the provisions of this Agreement;

(f) lend money to, or purchase notes, bonds, debentures or other securities from, affiliates of the Company, including the Member;

(g) enter into, perform and carry out contracts of any kind, including contracts with any Person affiliated with the Company, necessary to, in connection with, convenient to, or incidental to the accomplishment of the purposes of the Company;

(h) employ or otherwise engage employees, managers, contractors, advisors, attorneys and consultants, and pay reasonable compensation for such services;

(i) enter into partnerships, limited liability companies, trusts, associations, corporations or other ventures with other persons or entities in furtherance of the purposes of the Company;

(j) enter into interest rate, basis, currency, hedge or other swap agreements or cap, floor, put, call, option, exchange or collar agreements, derivative agreements, or other agreements similar to any of the foregoing; and

(k) exercise any powers or privileges incidental to any of the foregoing, including such powers and privileges as are necessary or convenient to the conduct, promotion or attainment of the business, purposes or activities of the Company.

ARTICLE 3 BOARD OF MANAGERS

Section 3.01 Board of Managers. The business and affairs of the Company shall be managed by or under the direction of a Board of Managers (the “**Board**” or “**Board of Managers**”). All actions of the Board of Managers must be taken at a duly authorized meeting of the Board of Managers as provided in Section 3.03 or by written consent as provided in Section 3.08.

Section 3.02 Number, Election, Vacancies, and Term of Office.

(a) The number of individuals who shall constitute the whole Board of Managers shall be no less than two (2) nor more than five (5) members (each, a “**Manager**”), with the exact number of Managers to be set by the Member. The number of Managers on the date hereof, and their respective names, are set forth on Schedule A.

(b) The Member shall have the exclusive right and authority at any time and from time to time to elect, designate or appoint the Managers, including to fill vacancies on the Board of Managers arising by reason of the death, resignation, disqualification or removal of any Manager or other cause.

(c) Each Manager shall hold office until his or her successor is elected and qualified or until such Manager’s earlier death, resignation or removal. Managers need not be Members.

Section 3.03 Regular Meetings. (a) Regular meetings of the Board of Managers or any committee thereof shall be held at such place or places, within or outside the State of Delaware, on such date or dates, and at such time or times as shall have been established by the Board of Managers or such committee, as the case may be, and publicized among all Managers members thereof. A notice of each regular meeting shall not be required.

Section 3.04 Special Meetings. Special meetings of the Board of Managers may be called by one-third (1/3) of the Managers (rounded up to the nearest whole number) or by the President, and shall be held at such place, within or outside the State of Delaware, on such date, and at such time as they or he or she shall fix. Special meetings of any committee of the Board of Managers may be called by one-third (1/3) of the members thereof (rounded up to the nearest whole number) or by the chairperson of such committee, and shall be held at such place, within or outside the State of Delaware, on such date, and at

such time as they or he or she shall fix. Notice of the place, date, and time of each such special meeting shall be given each Manager serving thereon by whom it is not waived by mailing written notice of the same not less than five (5) days before the meeting, by facsimile transmission, or by any other means of Electronic Transmission (as defined in Section 6.01 below) for which delivery to the target device or account is generally accomplished within an hour of the transmission, not less than twenty-four (24) hours before the meeting. Unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting.

Section 3.05 Quorum. At any meeting of the Board of Managers or any committee thereof, a majority of the members of the Board of Managers or such committee, as the case may be, shall constitute a quorum for all purposes. If a quorum shall fail to attend any meeting, a majority of those present may adjourn the meeting to another place, date, or time, without further notice or waiver thereof.

Section 3.06 Participation in Meetings by Conference Telephone. Members of the Board of Managers, or of any committee thereof, may participate in a meeting of the Board of Managers or such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and such participation shall constitute presence in person at such meeting. If all the participants are participating by telephone conference or such other communications equipment, the meeting shall be deemed to be held at the principal place of business of the Company.

Section 3.07 Conduct of Business. At any meeting of the Board of Managers or any committee thereof, business shall be transacted in such order and manner as the Board of Managers or such committee may from time to time determine, and, except if a greater number is required by applicable law or as provided by the resolutions establishing a committee, all matters shall be determined by the vote of a majority of the members of the Board of Managers or such committee, as the case may be, present.

Section 3.08 Actions by Written Consent. Any matter that is to be voted on, consented to or approved by the Board of Managers or any committee thereof may be taken without a meeting, without prior notice and without a vote if a consent or consents in writing, setting forth the action so taken, shall be signed by all Managers serving on the Board of Managers or such, as the case may be, and the consent or consents are filed with the minutes of proceedings of the Board of Managers or such committee, as the case may be. A consent transmitted by a Manager by Electronic Transmission shall be deemed to be written and signed for purposes of this Section 3.08.

Section 3.09 Powers. The Board of Managers shall have the rights, powers, authorities and privileges in the name and on behalf of the Company to carry out each and every right, power, authority or privilege granted to the Company, including the exercise of each of the rights, powers, authorities and privileges set forth in Section 2.02. The Board of Managers shall have full and complete right, power, authority and discretion to manage and control the business, affairs, activities and properties of the Company; to make all decisions regarding those matters; to perform, directly or through agents, officers, or other representatives, any and all other acts and activities customary or incident to the management of the business, affairs, activities and properties of the Company; and to do any and all acts necessary, convenient or incidental to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise, including the unqualified powers:

- (a) to make distributions to the Member from time to time in accordance with law;
- (b) to purchase or otherwise acquire any property, rights or privileges on such terms as it shall determine;

(c) to authorize the creation, making and issuance, in such form as it may determine, of written obligations of every kind, negotiable or non-negotiable, secured or unsecured, and to do all things necessary in connection therewith;

(d) to hire, suspend, remove and terminate Officers, employees and agents, with or without cause, including accountants, consultants and all other professionals (including legal counsel) providing services to the Company, and fixing the salaries (if any) and other compensation (if any) of such employees and agents;

(e) from time to time to devolve the powers and duties of any Officer upon any other person for the time being, or to delegate any of the powers or authorities of the Board of Managers to one or more Officers;

(f) to adopt from time to time such stock option, stock purchase, bonus or other compensation plans for Managers, Officers, employees and agents of the Company and its subsidiaries as it may determine;

(g) to adopt from time to time such insurance, retirement, and other benefit plans for Managers, Officers, employees and agents of the Company and its subsidiaries as it may determine; and.

(h) to adopt from time to time regulations, not inconsistent with this Agreement, for the management of the Company's business and affairs;

(i) to authorize the issuance of limited liability company interests in the Company from time to time, as appropriate;

(j) to open, operate and close bank accounts and term deposits;

(k) to draw, accept, endorse, or discount cheques, drafts, bills of exchange, notes, and other instruments or orders for the payment of money;

(l) to purchase, receive, dispose of and otherwise deal in all securities, checks, money and other assets or liabilities of the Company;

(m) to enter into credit agreements, overdraft credit facilities, borrowing arrangements and cash management agreements;

(n) to effect foreign exchange transactions;

(o) to enter into interest rate, basis, currency, hedge or other swap agreements or cap, floor, put, call, option, exchange or collar agreements, derivative agreements, or other agreements similar to any of the foregoing related to the financing activities of the Company;

(p) to make guarantees, indemnities, or any other undertakings or credit support in relation to guarantees, letters of credit, credit agreements, other undertakings or any documents related to or ancillary to the aforementioned documents or agreements, including giving over any form of security, or making any other arrangements concerning, any property of the Company, including bills of exchange, bills of lading, warehouse certificates; insurance policies, and share and debenture certificates;

(q) to open, maintain and close accounts with brokers and to give instructions or directions in connection therewith;

(r) to maintain one or more offices in any state and in connection therewith rent or acquire office space and do such other acts as may be advisable in connection with the maintenance of such offices;

(s) to offer, issue, and sell notes, bonds, debentures and other securities, in public or private sale, and execute any indenture, underwriting agreement, placement agency agreement, in connection therewith;

(t) to lend money to other persons, including affiliates of the Company (including the Member); and

(u) generally to exercise or delegate all powers, authorities and rights; and perform or delegate the authority to perform all other acts, to do all other things, to issue all securities and instruments, and to enter into all other agreements, undertakings and arrangements, which the Board of Managers reasonably determines are incidental to any of the foregoing or necessary or appropriate for the conduct, promotion or attainment of the business, purposes or activities of the Company.

Section 3.10 Compensation of Board of Managers; Expenses. Managers, as such, may receive, pursuant to resolution of the Board of Managers, fixed fees and other compensation for their services as Managers, including their services as members of committees of the Board of Managers.

Section 3.11 Removal of Managers. Unless otherwise restricted by law, any Manager or the entire Board of Managers may be removed, with or without cause, by the Member.

Section 3.12 Committees of the Board of Managers.

(a) The Board of Managers, by a vote of a majority of the whole Board, may from time to time designate committees of the Board, with such lawfully delegable powers and duties as it thereby confers, to serve at the pleasure of the Board and shall, for those committees and any others provided for herein, elect one or more Managers to serve as the member or members, designating, if it desires, other Managers as alternate members who may replace any absent or disqualified member at any meeting of the committee.

(b) Any committee so designated may exercise the power and authority of the Board of Managers to make a distribution, to authorize the issuance of limited liability company interests, to admit a new member, or to adopt a certificate of merger or consolidation pursuant to Section 209 of the Act, if the resolution which designates the committee or a supplemental resolution of the Board of Managers shall so provide.

(c) In the absence or disqualification of any member of any committee and any alternate member in his or her place, the member or members of the committee present at the meeting and not disqualified from voting, whether or not he or she or they constitute a quorum, may by unanimous vote appoint another Manager to act at the meeting in the place of the absent or disqualified member.

**ARTICLE 4
OFFICERS**

Section 4.01 Designation of Officers. The officers of the Company (each, an “*Officer*”) shall consist of the Managers (each of whom shall automatically hold the office designated as “Manager” of the Company for so long as such individual serves as a member of the Board of Managers), a President, one

or more Vice Presidents, a Secretary, a Treasurer and such other officers as may from time to time be appointed by the Board of Managers. Any number of offices may be held by the same person.

Section 4.02 Appointment of Officers. Officers shall be appointed by the Board of Managers from time to time. The Officers of the Company on the date hereof and their respective offices are set forth on Schedule B. Each Officer shall hold office until his or her successor is elected and qualified or until his or her earlier death, resignation or removal.

Section 4.03 Duties of Officers. The Officers shall have such powers, authorities and duties in the management of the business and affairs of the Company as provided in this Section 4.03 and as the Board of Managers, or any duly authorized committee thereof, may from time to time prescribe, subject to the control and direction of the Board of Managers and, if applicable, such committee.

(a) **President.** The President shall be the chief executive officer of the Company. Subject to the provisions of this Agreement and to the direction of the Board of Managers, he or she shall have the responsibility for the general management and control of the business and affairs of the Company and shall perform all duties and have all powers which are commonly incident to the office of chief executive. He or she shall have power to sign all contracts and other instruments of the Company which are authorized and shall have general supervision and direction of all of the other officers, employees and agents of the Company.

(b) **Vice President.** Each Vice President shall have such powers and duties as may be delegated to him or her by the Board of Managers or any duly authorized committee thereof. One (1) Vice President shall be designated by the Board to perform the duties and exercise the powers of the President in the event of the President's absence or disability.

(c) **Treasurer.** The Treasurer shall have the responsibility for maintaining the financial records of the Company. He or she shall make such disbursements of the funds of the Company as are authorized and shall render from time to time an account of all such transactions and of the financial condition of the Company.

(d) **Secretary.** The Secretary shall issue all authorized notices for, and shall keep minutes of, all meetings of the Member and the Board of Managers and each committee thereof. He or she shall have charge of the corporate books.

Section 4.04 Delegation of Authority. The Board of Managers, or any duly authorized committee thereof, may from time to time delegate the powers or duties of any Officer to any other Officers or agents of the Company, notwithstanding any provision hereof.

Section 4.05 Removal. Any Officer (other than a Manager) may be removed at any time, with or without cause, by the Board of Managers.

Section 4.06 Resignation. Any Officer may resign at any time by giving written notice to the Board of Managers; *provided* that any Officer resigning from the office of "Manager" must concurrently resign as a member of the Board of Managers. Any resignation shall take effect at the date of receipt of that notice or any later time specified in that notice and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective.

Section 4.07 Action with Respect to Securities of Other Corporations. Unless otherwise directed by the Board of Managers, the President or any Officer authorized by the President shall have power to vote and otherwise act on behalf of the Company, in person or by proxy, at any meeting of

stockholders of or with respect to any action of stockholders of any other corporation in which this Company may hold securities and otherwise to exercise any and all rights and powers which this Company may possess by reason of its ownership of securities in such other corporation.

ARTICLE 5 MANAGERS AND OFFICERS

Section 5.01 Fiduciary Duties. Except as otherwise provided in this Agreement, in exercising their rights and performing their duties under this Agreement, the Managers and Officers shall have a fiduciary duty of loyalty and care to the Member similar to that of a director or officer, as the case may be, of a business corporation organized under the General Corporation Law of the State of Delaware.

Section 5.02 Liability for Certain Acts. No Manager or Officer shall be liable to the Company or to the Member for any loss or damage sustained by the Company or the Member, except to the extent, if any, that the loss or damage shall have been the result of gross negligence, fraud, deceit, willful misconduct, or willful breach of this Agreement by such Manager or Officer.

Section 5.03 No Liability for Company Obligations. Except as otherwise provided by the non-waivable provisions of the Act or by the express provisions of this Agreement, no Manager or Officer shall have any personal liability for any debts, obligations, liabilities or losses of the Company solely by reason of being or acting as a Manager or Officer.

Section 5.04 No Exclusive Duty to Company. The Managers and Officers shall not have any exclusive duty to act on behalf of the Company. The Managers and Officers may have other business interests and may engage in other activities in addition to those relating to the Company. The Company shall have no right, by virtue of this Agreement, to share or participate in any other investments or activities of the Managers or Officers, and no Manager or Officer shall incur any liability to the Company as a result of engaging in any other business or venture.

Section 5.05 Facsimile Signatures. In addition to the provisions for use of facsimile signatures elsewhere specifically authorized in this Agreement, facsimile signatures of any Officer or Manager may be used whenever and as authorized by the Board of Managers or a committee thereof.

Section 5.06 Reliance upon Books, Reports and Records. Each Manager and each Officer shall, in the performance of his or her duties (whether as an officer or agent of the Company or as a member of the Board or any committee thereof), be fully protected in relying in good faith upon the books of account or other records of the Company and upon such information, opinions, reports or statements presented to the Company by any of its Managers, Officers or employees, or committees of the Board of Managers so designated, or by any other person as to matters which such Manager or Officer 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 Company.

Section 5.07 Agents. To the extent of their rights, powers, authorities and privileges set forth in this Agreement, the Managers are agents of the Company for the purpose of the Company's business, and the actions of the Managers taken in accordance with such powers set forth in this Agreement shall bind the Company.

**ARTICLE 6
NOTICES**

Section 6.01 Notices. Except as otherwise specifically provided herein or required by law, all notices required to be given to the Member, any Manager or any Officer shall be in writing and may in every instance be effectively given (i) by hand delivery to the recipient thereof, (ii) by depositing such notice in the mails, postage paid, (iii) by sending such notice by prepaid telegram, or (iv) by transmitting such notice by any form of communication not directly involving the physical transmission of paper that creates a record that may be retained, retrieved and reviewed by a recipient thereof and that may be directly reproduced in paper form by such a recipient through an automated process (any such form of communication, an “**Electronic Transmission**”). Any such notice shall be addressed to such Member, Manager or Officer at his or her last known address as the same appears on the books of the Company. The time when such notice is received, if hand delivered, or dispatched, if delivered through the mails or by telegram or transmitted by Electronic Transmission, shall be the time of the giving of the notice.

Section 6.02 Waivers. A written waiver of any notice, signed by a Member, Manager or Officer, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to the notice required to be given to such Member, Manager or Officer. Neither the business nor the purpose of any meeting need be specified in such a waiver.

**ARTICLE 7
INDEMNIFICATION OF MANAGERS, OFFICERS, EMPLOYEES AND AGENTS**

Section 7.01 Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a “**Proceeding**”), by reason of the fact that he or she is or was a Manager or Officer or is or was serving at the request of the Company as a director, manager, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (each, an “**Indemnitee**”), whether the basis of such Proceeding is alleged action in an official capacity as a Manager or Officer, or such a director, manager, officer, employee or agent or in any other capacity while serving as a Manager or Officer or such a director, manager, officer, employee or agent, shall be indemnified and held harmless by the Company to the fullest extent authorized by the Act (but, in the case of any amendment to the Act effective after the date hereof, only to the extent that such amendment permits the Company to provide broader indemnification rights than such law permitted the Company to provide prior to such amendment), against all expense, liability and loss (including attorneys’ fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such Indemnitee in connection therewith; *provided, however*, that, except as provided in Section 7.03 with respect to proceedings to enforce rights to indemnification, the Company shall indemnify any such Indemnitee in connection with a proceeding (or part thereof) initiated by such Indemnitee only if such proceeding (or part thereof) was authorized by the Board of Managers.

Section 7.02 Right to Advancement of Expenses. The right to indemnification conferred in Section 7.01 shall include the right to be paid by the Company the expenses (including attorney’s fees) incurred in defending any Proceeding in advance of its final disposition (an “**Advancement of Expenses**”); *provided, however*, that, if the Act so requires, an Advancement of Expenses incurred by an Indemnitee in his or her capacity as a Manager or Officer (and not in any other capacity in which service was or is rendered by such Indemnitee, including service to an employee benefit plan) shall be made only upon delivery to the Company of an undertaking (an “**Undertaking**”), by or on behalf of such Indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which

there is no further right to appeal (a “**Final Adjudication**”) that such Indemnitee is not entitled to be indemnified for such expenses under this Article 7 or otherwise. The rights to indemnification and to the Advancement of Expenses conferred in Article 7 shall be contract rights and shall continue as to an Indemnitee who has ceased to be a Manager or Officer, or a director, manager, officer, employee or agent of another entity, and shall inure to the benefit of the Indemnitee’s heirs, executors and administrators.

Section 7.03 Right of Indemnitee to Bring Suit. If a claim under Section 7.01 or Section 7.02 is not paid in full by the Company within sixty (60) days after a written claim has been received by the Company, except in the case of a claim for an Advancement of Expenses, in which case the applicable period shall be twenty (20) days, an Indemnitee may at any time thereafter bring suit against the Company to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, or in a suit brought by the Company to recover an Advancement of Expenses pursuant to the terms of an Undertaking, such Indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit. In (i) any suit brought by an Indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the Indemnitee to enforce a right to an Advancement of Expenses) it shall be a defense that, and (ii) in any suit brought by the Company to recover an Advancement of Expenses pursuant to the terms of an Undertaking, the Company shall be entitled to recover such expenses upon a Final Adjudication that; the Indemnitee has not met any applicable standard for indemnification set forth in the Act. Neither the failure of the Company (including the Board of Managers, independent legal counsel, or its Member) to have made a determination prior to the commencement of such suit that indemnification of the Indemnitee is proper in the circumstances because the Indemnitee has met the applicable standard of conduct set forth in the Act, nor an actual determination by the Company (including the Board of Managers, independent legal counsel, or its Member) that the Indemnitee has not met such applicable standard of conduct, shall create a presumption that the Indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the Indemnitee, be a defense to such suit. In any suit brought by the Indemnitee to enforce a right to indemnification or to an Advancement of Expenses hereunder, or brought by the Company to recover an Advancement of Expenses pursuant to the terms of an Undertaking, the burden of proving that the Indemnitee is not entitled to be indemnified, or to such Advancement of Expenses, under this Article 7 or otherwise shall be on the Company.

Section 7.04 Nonexclusivity of Rights. The rights to indemnification and to the Advancement of Expenses conferred in this Article 7 shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, the Certificate of Formation, this Agreement, any other agreement, vote or action of the Members, or disinterested Managers or otherwise.

Section 7.05 Insurance. The Company may maintain insurance, at its expense, to protect itself and any Manager, Officer or employee or agent of the Company or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Company would have the power to indemnify such person against such expense, liability or loss under the Act.

Section 7.06 Indemnification of Employees and Agents of the Company. The Company may, to the extent authorized from time by the Board of Managers, grant rights to indemnification and to the Advancement of Expenses to any employee or agent of the Company to the fullest extent of the provisions of this Article 7 with respect to the indemnification and Advancement of Expenses of Managers and Officers.

**ARTICLE 8
MEMBERS**

Section 8.01 No Liability for Company Obligations. Except as otherwise provided by the non-waivable provisions of the Act and by this Agreement, the Member shall have no personal liability for any debts, obligations, liabilities or losses of the Company solely by reason of being or acting as the Member.

Section 8.02 Approval of the Member. Except as otherwise expressly provided in this Agreement, the Member shall have no voting or approval rights, and all actions may be taken by the Board of Managers in accordance with this Agreement without any further consent or approval of the Member.

Section 8.03 Action by the Member Without a Meeting. Unless otherwise required in this Agreement, actions and consents of the Member may be communicated or reflected by Electronic Transmission, and no action need be taken at a formal meeting. Any action of the Member shall be effective when the Member delivers its written consent to the action to the Board of Managers. Any resolution adopted by the Board of Directors of the Member, whether at a meeting of the directors or by action by written consent, shall constitute an action or consent, as applicable, of the Member for all purposes of this Agreement and the Act, and shall be effective when a copy of such resolution is delivered by the Member to the Board of Managers or the Secretary of the Company.

Section 8.04 Other Businesses. The Member may engage in or possess an interest in other business ventures (unconnected with the Company) of every kind and description, independently or with others, whether or not directly competitive with the business of the Company. The Company shall have no right, by virtue of this Agreement or the Member's membership in the Company, to share or participate in any other investments or activities of the Member, and the Member shall not incur any liability to the Company as a result of engaging in any other business or venture.

Section 8.05 Admission of Additional Members. The Company may not admit any additional members except in connection with an assignment of the Member's Interests in accordance with Section 8.06.

Section 8.06 Assignment. Except as provided in this Section 8.06, the Member may not assign, sell, gift, pledge, or otherwise transfer or encumber its Interests to any other Person, and any purported assignment not complying with this Section 8.06 shall be null and void *ab initio* and of no force or effect. The Member may assign its entire right, title and interest in all of its Interests to any other Person, in whole, but not in part, provided that the agreement effecting the assignment of the Interests provides that, effective at the time of such assignment, (A) the assignee is admitted as a member of the Company; (B) the assigning Member resigns as a member of the Company; and (C) the assignee will be bound by all of the terms and conditions of this Agreement as the "Member" hereunder. Upon the effective time of such assignment, the assignor shall cease to be, and the assignee shall become, a member of the Company and the "Member" hereunder.

**ARTICLE 9
CONTRIBUTIONS TO THE COMPANY AND CAPITAL ACCOUNTS**

Section 9.01 Limited Liability Company Interests. The Company is authorized to issue a single class of Interests, including any and all benefits to which the holder of such Interests may be

entitled pursuant to this Agreement, together with all obligations of such person to comply with the terms and provisions of this Agreement.

Section 9.02 Initial and Additional Contributions. As of the date hereof, the Member has made an initial capital contribution of US \$1,000 to the Company. The Member shall not be obligated to make any additional capital contributions; *provided* that the Member may elect to make an additional capital contribution from time to time in its sole discretion.

Section 9.03 Loans. The Member may make one or more loans to, or borrow money from, the Company on such terms and conditions as may be approved by the Member.

ARTICLE 10 DISTRIBUTIONS TO THE MEMBER

Section 10.01 Distributions. Except as otherwise provided in Section 10.02, distributable cash or other property shall be distributed to the Member at such times as the Board of Managers shall determine.

Section 10.02 Limitation Upon Distributions. No distribution shall be made to the Member in respect of its Interests if, in the sole discretion of the Board of Managers: (i) the Company would not be able to pay its debts as they become due in the usual course of business; (ii) the Company's total assets would be less than the sum of its total liabilities; or (iii) such distribution would otherwise constitute a violation of the Act.

Section 10.03 Interest On and Return of Capital Contributions. The Member shall not be entitled to interest on the Member's capital contribution or to a return of the Member's capital contribution, except as otherwise specifically provided for herein.

ARTICLE 11 TAX CHARACTERIZATION

Section 11.01 Tax Characterization. For so long as for federal income tax purposes the Member holds all of the Interests in the Company, and no Interests have been assigned as provided in § 702 of the Act or charged as provided in § 703 of the Act, it is the intention of the Member that the Company be disregarded for federal and all relevant state tax purposes and that the activities of the Company be deemed to be activities of the Member for such purposes.

ARTICLE 12 BOOKS AND RECORDS

Section 12.01 Fiscal Year. The fiscal year of the Company shall be the fiscal year of the Member, or such other fiscal year as shall be fixed by the Board of Managers.

Section 12.02 Records and Reports. At the expense of the Company, the Board of Managers shall maintain records and accounts of all operations and expenditures of the Company. The Company's books of account shall be kept using the method of accounting determined by the Member. The Company's independent auditor shall be the independent public accounting firm selected from time to time by the Member. The Company shall keep at its principal place of business the following records:

- (a) a current list of the full name and last known address of the Member and each Manager;
- (b) copies of records to enable the Member to determine the voting rights, if any, of the Member;
- (c) a copy of the Certificate of Formation of the Company and all amendments thereto;
- (d) copies of the Company's federal, state, and local income tax returns and reports, if any, for the three most recent years;
- (e) copies of this Agreement, as amended, restated, supplemented or otherwise modified and in effect from time to time; and
- (f) copies of any financial statements of the Company (but if prepared at the election of the Board of Managers) for the three most recent years.

Section 12.03 Inspection by Member. The books and records shall at all times be maintained at the principal office of the Company and shall be open to the reasonable inspection and examination of the Member, or its duly authorized representative during reasonable business hours. Neither the Company nor the Board of Managers shall have any right or authority to keep confidential from the Member any information that the Board of Managers would otherwise be permitted to keep confidential from the Member pursuant to Section 305(c) of the Act.

ARTICLE 13 DISSOLUTION AND TERMINATION

Section 13.01 Dissolution. The Company shall be dissolved, and its affairs shall be wound up, only upon the occurrence of either of the following events: (i) the written consent of the Member; (ii) the retirement, resignation or dissolution of the last remaining member of the Company or the occurrence of any other event which terminates the continued membership of the last remaining member of the Company in the Company, unless in either case the business of the Company is continued in a manner permitted by the Act, or (iii) by an entry or decree of judicial dissolution as contemplated under the Act. Without limiting the foregoing, the bankruptcy (as defined in Sections 101(1) and 304 of the Act) of the Member will not cause the Member to cease to be a member of the Company and upon the occurrence of such an event, the business of the Company shall continue without dissolution.

Section 13.02 Effect of Dissolution. In the event of dissolution, the Company shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in the manner, and in the order of priority, set forth in Section 804 of the Act. Upon dissolution, the Board of Managers shall cause a statement of commencement of winding up to be filed and any notice required by the Act to be published. Upon completion of the winding-up, liquidation and distribution of the assets, the Company shall be deemed terminated.

Section 13.03 Return of Contribution; Nonrecourse to Other Members. Upon dissolution, each member shall look solely to the assets of the Company for the return of such member's capital contribution. If the Company property remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return the capital contribution of one or more members, then

such member or members shall have no recourse against any other member or, except as provided in Section 5.03, any Manager.

ARTICLE 14 MISCELLANEOUS PROVISIONS

Section 14.01 Application of Delaware Law. This Agreement, and the application or interpretation hereof, shall be governed exclusively by its terms and by the Act as amended from time to time (or any corresponding provisions of succeeding law). This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware applicable to agreements negotiated, executed and to be performed entirely within said State.

Section 14.02 Execution of Additional Instruments. The Member hereby agrees to execute such other and further statements of interest and holdings, designations, powers of attorney and other instruments necessary to comply with any laws, rules or regulations.

Section 14.03 Headings. The Article, Section and other headings in this Agreement are inserted purely as a matter of convenience and for ease of reference only and shall be disregarded for all other purposes, including the construction, interpretation or enforcement of this Agreement or any of its terms or provisions.

Section 14.04 Construction. Unless the context otherwise requires, whenever used herein: (i) the words “include,” “includes,” and “including” will be deemed to be followed by “without limitation”; (ii) pronouns in masculine, feminine, and neuter genders will be construed to include any other gender; (iii) words in the singular form will be construed to include the plural and vice versa; (iv) the words “this Agreement,” “herein,” “hereof,” “hereby,” “hereunder,” and words of similar import refer to this Agreement as a whole and not to any particular subdivision; (v) any reference to designated “Sections”, “Articles” or other subdivisions, Schedules or Exhibits, are to the designated Sections, Articles and other subdivisions of, or Schedule or Exhibit to, this Agreement; and (vi) the term “or” shall not be exclusive.

Section 14.05 Time Periods. In applying any provision of this Agreement which requires that an act be done or not be done a specified number of days prior to an event or that an act be done during a period of a specified number of days prior to an event, calendar days shall be used, the day of the doing of the act shall be excluded, and the day of the event shall be included.

Section 14.06 Waivers. The failure of any party to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

Section 14.07 Heirs, Successors and Assigns. The terms of this Agreement shall be binding upon and inure to the benefit of the party hereto and its permitted legal representatives, successors and assigns.

Section 14.08 Third Party Beneficiaries. This Agreement is made solely for the benefit of the parties hereto and their respective representatives, successors and assigns, and no other Person shall have or acquire any right or remedy by virtue hereof except as otherwise expressly provided herein.

Section 14.09 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

Section 14.10 No Action for Partition. The Member has no right to maintain any action for partition with respect to the property of the Company.

Section 14.11 Amendments. Any amendment, supplement or other modification to this Agreement must be made in writing and approved by the Member.

Section 14.12 Conflicts with the Act. If any particular provision herein is construed to be in conflict with the provisions of the Act, the provisions of this Agreement shall control to the fullest extent permitted by applicable law. Any provision found to be invalid or unenforceable shall not affect or invalidate the other provisions hereof, and this Agreement shall be construed in all respects as if such conflicting provision were omitted.

Section 14.13 Entire Agreement. This Agreement and the certificates and other documents delivered pursuant to this Agreement contain the entire agreement by the party with respect to the matters described herein, and supersede all prior agreements, written or oral, with respect thereto.

[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the date set forth on the first page of this Agreement.

NORTHROP GRUMMAN SPACE & MISSION
SYSTEMS CORP., sole Member

By: /s/ Mark Rabinowitz
Mark Rabinowitz
President and Treasurer

INITIAL MANAGERS OF THE COMPANY

Gary W. McKenzie
Mark Rabinowitz
Kathleen M. Salmas

Schedule A

INITIAL OFFICERS OF THE COMPANY

Officer

Rabinowitz, Mark
McKenzie, Gary W.
Salmas, Kathleen M.

Office

President and Treasurer
Vice President
Secretary

CERTIFICATE OF FORMATION**OF****Northrop Grumman Systems Finance, LLC**

This Certificate of Formation of Northrop Grumman Systems Finance, LLC (the "Company") is being duly executed and filed by an authorized person, to form a limited liability company under the Delaware Limited Liability Company Act (6 Del.C. §§ 18-101, et seq.).

FIRST. The name of the limited liability company formed is:

Northrop Grumman Systems Finance, LLC

SECOND. The address of its registered office in the State of Delaware is c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, City of Wilmington, County of New Castle, Delaware 19801.

THIRD. The name and address of its registered agent for service of process on the Company in the State of Delaware is The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, City of Wilmington, County of New Castle, Delaware 19801.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation of Northrop Grumman Systems Finance, LLC this 1st day of July, 2008.

Authorized Person:

/s/ James R. Nelson
James R. Nelson

NORTHROP GRUMMAN SYSTEMS FINANCE, LLC
LIMITED LIABILITY COMPANY AGREEMENT

JULY 1, 2008

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**LIMITED LIABILITY COMPANY AGREEMENT OF
NORTHROP GRUMMAN SYSTEMS FINANCE, LLC,
a Delaware limited liability company**

THIS LIMITED LIABILITY COMPANY AGREEMENT (as amended and in effect from time to time, this "**Agreement**") is made and entered into as of the 1st day of July, 2008, pursuant to the Delaware Limited Liability Company Act, Title 6, §§ 18-101, *et. seq.*, as amended (as further amended or otherwise modified from time to time, the "**Act**"), by Northrop Grumman Systems Corporation (together with its successors and permitted assigns, the "**Member**").

WHEREAS, the Member has formed Northrop Grumman Systems Finance, LLC (the "**Company**") as a Delaware limited liability company under the Act;

WHEREAS, the Member hereby adopts and approves the Certificate of Formation of the Company;

WHEREAS, the Company has not yet commenced operations; and

WHEREAS, the Member is hereby entering into this Agreement to form and provide for the governance of the Company and the conduct of its business and affairs.

NOW, THEREFORE, in consideration of the agreements and mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged by the parties hereto, the undersigned hereby agree as follows:

**ARTICLE 1
FORMATION OF COMPANY**

Section 1.01 Formation. The Certificate of Formation, complying with the applicable requirements of the Act, has been duly filed with the Secretary of State of the State of Delaware on July 1, 2008, File Number 4567042 (as such articles may be amended, corrected, restated or otherwise modified and in force from time to time, the "**Certificate of Formation**"). Upon the filing of the Certificate of Formation, the person filing the same ceased to be an authorized person of the Company. The Board of Managers (as defined in Section 3.01 below) may designate any person for purposes of executing such further documents and to take such further action as shall be appropriate or necessary to comply with the requirements of law for the formation and operation of a limited liability company in all states and counties where the Company elects to carry on its business.

Section 1.02 Term. The term of the Company shall continue until the Company is dissolved and its affairs wound up in accordance with the provisions of this Agreement.

Section 1.03 Name. The name of the Company shall be "Northrop Grumman Systems Finance, LLC".

Section 1.04 Place of Business. The Company may locate its places of business at any place or places as the Board of Managers may deem advisable.

Section 1.05 Registered Office and Registered Agent. The registered agent for service of process on the Company in the State of Delaware shall be as specified in the Certificate of Formation from time to time. The Board of Managers may designate a different registered agent for service of

process on the Company by designating any person to amend the Certificate of Formation in accordance with the Act to change such registered agent.

Section 1.06 Members. The Member is the sole member admitted to the Company on the date hereof. Unless and until additional members are admitted to the Company pursuant to Section 8.05, the Member will own 100% of the “limited liability company interests” (as such term is defined in the Act) of the Company (the “*Interests*”).

ARTICLE 2 BUSINESS OF COMPANY

Section 2.01 Purposes. The Company is formed for the object and purpose of, and the nature of the business to be conducted and promoted by the Company is, engaging in any lawful business, purpose or activity, whether or not for profit, for which limited liability companies may be formed under Delaware law.

Section 2.02 Powers. In furtherance of its purposes, but subject to all of the provisions of this Agreement and the Act, the Company shall have the right, power and authority to engage in all activities and transactions necessary or desirable to accomplish its purposes and to do any other act or thing incidental or ancillary thereto, including the following:

(a) acquire by purchase, lease, contribution of property or otherwise, own, hold, sell, convey, transfer or dispose of any personal property which may be necessary, convenient or incidental to the accomplishment of any purpose of the Company;

(b) act as a trustee, nominee, bailee, manager, agent or in some other fiduciary capacity for any person or entity (each, a “*Person*”) and to exercise all of the authorities, powers, duties and rights and perform all of the obligations and responsibilities associated therewith, including the granting or approval of waivers, consents or amendments of rights or powers relating thereto and the execution of appropriate documents to evidence such waivers, consents or amendments;

(c) offer, issue, and sell notes, bonds, debentures and other securities, in public or private sale, including debt issued under an indenture, in furtherance of any or all of the purposes of the Company, and secure the same by mortgage, pledge or other lien on the securities or other assets of the Company;

(d) prepay in whole or in part, refinance, recast, increase, modify or extend any indebtedness of the Company and, in connection therewith, execute any extensions, renewals or modifications of any indenture under which such indebtedness is issued or any mortgage or security agreement securing such indebtedness;

(e) invest any funds of the Company pending distribution or payment of the same pursuant to the provisions of this Agreement;

(f) lend money to, or purchase notes, bonds, debentures or other securities from, affiliates of the Company, including the Member;

(g) enter into, perform and carry out contracts of any kind, including contracts with any Person affiliated with the Company, necessary to, in connection with, convenient to, or incidental to the accomplishment of the purposes of the Company;

(h) employ or otherwise engage employees, managers, contractors, advisors, attorneys and consultants, and pay reasonable compensation for such services;

(i) enter into partnerships, limited liability companies, trusts, associations, corporations or other ventures with other persons or entities in furtherance of the purposes of the Company;

(j) enter into interest rate, basis, currency, hedge or other swap agreements or cap, floor, put, call, option, exchange or collar agreements, derivative agreements, or other agreements similar to any of the foregoing; and

(k) exercise any powers or privileges incidental to any of the foregoing, including such powers and privileges as are necessary or convenient to the conduct, promotion or attainment of the business, purposes or activities of the Company.

ARTICLE 3 BOARD OF MANAGERS

Section 3.01 Board of Managers. The business and affairs of the Company shall be managed by or under the direction of a Board of Managers (the “**Board**” or “**Board of Managers**”). All actions of the Board of Managers must be taken at a duly authorized meeting of the Board of Managers as provided in Section 3.03 or by written consent as provided in Section 3.08.

Section 3.02 Number, Election, Vacancies, and Term of Office.

(a) The number of individuals who shall constitute the whole Board of Managers shall be no less than two (2) nor more than five (5) members (each, a “**Manager**”), with the exact number of Managers to be set by the Member. The number of Managers on the date hereof, and their respective names, are set forth on Schedule A.

(b) The Member shall have the exclusive right and authority at any time and from time to time to elect, designate or appoint the Managers, including to fill vacancies on the Board of Managers arising by reason of the death, resignation, disqualification or removal of any Manager or other cause.

(c) Each Manager shall hold office until his or her successor is elected and qualified or until such Manager’s earlier death, resignation or removal. Managers need not be Members.

Section 3.03 Regular Meetings. (a) Regular meetings of the Board of Managers or any committee thereof shall be held at such place or places, within or outside the State of Delaware, on such date or dates, and at such time or times as shall have been established by the Board of Managers or such committee, as the case may be, and publicized among all Managers members thereof. A notice of each regular meeting shall not be required.

Section 3.04 Special Meetings. Special meetings of the Board of Managers may be called by one-third (1/3) of the Managers (rounded up to the nearest whole number) or by the President, and shall be held at such place, within or outside the State of Delaware, on such date, and at such time as they or he or she shall fix. Special meetings of any committee of the Board of Managers may be called by one-third (1/3) of the members thereof (rounded up to the nearest whole number) or by the chairperson of such committee, and shall be held at such place, within or outside the State of Delaware, on such date, and at

such time as they or he or she shall fix. Notice of the place, date, and time of each such special meeting shall be given each Manager serving thereon by whom it is not waived by mailing written notice of the same not less than five (5) days before the meeting, by facsimile transmission, or by any other means of Electronic Transmission (as defined in Section 6.01 below) for which delivery to the target device or account is generally accomplished within an hour of the transmission, not less than twenty-four (24) hours before the meeting. Unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting.

Section 3.05 Quorum. At any meeting of the Board of Managers or any committee thereof, a majority of the members of the Board of Managers or such committee, as the case may be, shall constitute a quorum for all purposes. If a quorum shall fail to attend any meeting, a majority of those present may adjourn the meeting to another place, date, or time, without further notice or waiver thereof.

Section 3.06 Participation in Meetings by Conference Telephone. Members of the Board of Managers, or of any committee thereof, may participate in a meeting of the Board of Managers or such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and such participation shall constitute presence in person at such meeting. If all the participants are participating by telephone conference or such other communications equipment, the meeting shall be deemed to be held at the principal place of business of the Company.

Section 3.07 Conduct of Business. At any meeting of the Board of Managers or any committee thereof, business shall be transacted in such order and manner as the Board of Managers or such committee may from time to time determine, and, except if a greater number is required by applicable law or as provided by the resolutions establishing a committee, all matters shall be determined by the vote of a majority of the members of the Board of Managers or such committee, as the case may be, present.

Section 3.08 Actions by Written Consent. Any matter that is to be voted on, consented to or approved by the Board of Managers or any committee thereof may be taken without a meeting, without prior notice and without a vote if a consent or consents in writing, setting forth the action so taken, shall be signed by all Managers serving on the Board of Managers or such, as the case may be, and the consent or consents are filed with the minutes of proceedings of the Board of Managers or such committee, as the case may be. A consent transmitted by a Manager by Electronic Transmission shall be deemed to be written and signed for purposes of this Section 3.08.

Section 3.09 Powers. The Board of Managers shall have the rights, powers, authorities and privileges in the name and on behalf of the Company to carry out each and every right, power, authority or privilege granted to the Company, including the exercise of each of the rights, powers, authorities and privileges set forth in Section 2.02. The Board of Managers shall have full and complete right, power, authority and discretion to manage and control the business, affairs, activities and properties of the Company; to make all decisions regarding those matters; to perform, directly or through agents, officers, or other representatives, any and all other acts and activities customary or incident to the management of the business, affairs, activities and properties of the Company; and to do any and all acts necessary, convenient or incidental to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise, including the unqualified powers:

- (a) to make distributions to the Member from time to time in accordance with law;
- (b) to purchase or otherwise acquire any property, rights or privileges on such terms as it shall determine;

(c) to authorize the creation, making and issuance, in such form as it may determine, of written obligations of every kind, negotiable or non-negotiable, secured or unsecured, and to do all things necessary in connection therewith;

(d) to hire, suspend, remove and terminate Officers, employees and agents, with or without cause, including accountants, consultants and all other professionals (including legal counsel) providing services to the Company, and fixing the salaries (if any) and other compensation (if any) of such employees and agents;

(e) from time to time to devolve the powers and duties of any Officer upon any other person for the time being, or to delegate any of the powers or authorities of the Board of Managers to one or more Officers;

(f) to adopt from time to time such stock option, stock purchase, bonus or other compensation plans for Managers, Officers, employees and agents of the Company and its subsidiaries as it may determine;

(g) to adopt from time to time such insurance, retirement, and other benefit plans for Managers, Officers, employees and agents of the Company and its subsidiaries as it may determine; and.

(h) to adopt from time to time regulations, not inconsistent with this Agreement, for the management of the Company's business and affairs;

(i) to authorize the issuance of limited liability company interests in the Company from time to time, as appropriate;

(j) to open, operate and close bank accounts and term deposits;

(k) to draw, accept, endorse, or discount cheques, drafts, bills of exchange, notes, and other instruments or orders for the payment of money;

(l) to purchase, receive, dispose of and otherwise deal in all securities, checks, money and other assets or liabilities of the Company;

(m) to enter into credit agreements, overdraft credit facilities, borrowing arrangements and cash management agreements;

(n) to effect foreign exchange transactions;

(o) to enter into interest rate, basis, currency, hedge or other swap agreements or cap, floor, put, call, option, exchange or collar agreements, derivative agreements, or other agreements similar to any of the foregoing related to the financing activities of the Company;

(p) to make guarantees, indemnities, or any other undertakings or credit support in relation to guarantees, letters of credit, credit agreements, other undertakings or any documents related to or ancillary to the aforementioned documents or agreements, including giving over any form of security, or making any other arrangements concerning, any property of the Company, including bills of exchange, bills of lading, warehouse certificates; insurance policies, and share and debenture certificates;

(q) to open, maintain and close accounts with brokers and to give instructions or directions in connection therewith;

(r) to maintain one or more offices in any state and in connection therewith rent or acquire office space and do such other acts as may be advisable in connection with the maintenance of such offices;

(s) to offer, issue, and sell notes, bonds, debentures and other securities, in public or private sale, and execute any indenture, underwriting agreement, placement agency agreement, in connection therewith;

(t) to lend money to other persons, including affiliates of the Company (including the Member); and

(u) generally to exercise or delegate all powers, authorities and rights; and perform or delegate the authority to perform all other acts, to do all other things, to issue all securities and instruments, and to enter into all other agreements, undertakings and arrangements, which the Board of Managers reasonably determines are incidental to any of the foregoing or necessary or appropriate for the conduct, promotion or attainment of the business, purposes or activities of the Company.

Section 3.10 Compensation of Board of Managers; Expenses. Managers, as such, may receive, pursuant to resolution of the Board of Managers, fixed fees and other compensation for their services as Managers, including their services as members of committees of the Board of Managers.

Section 3.11 Removal of Managers. Unless otherwise restricted by law, any Manager or the entire Board of Managers may be removed, with or without cause, by the Member.

Section 3.12 Committees of the Board of Managers.

(a) The Board of Managers, by a vote of a majority of the whole Board, may from time to time designate committees of the Board, with such lawfully delegable powers and duties as it thereby confers, to serve at the pleasure of the Board and shall, for those committees and any others provided for herein, elect one or more Managers to serve as the member or members, designating, if it desires, other Managers as alternate members who may replace any absent or disqualified member at any meeting of the committee.

(b) Any committee so designated may exercise the power and authority of the Board of Managers to make a distribution, to authorize the issuance of limited liability company interests, to admit a new member, or to adopt a certificate of merger or consolidation pursuant to Section 209 of the Act, if the resolution which designates the committee or a supplemental resolution of the Board of Managers shall so provide.

(c) In the absence or disqualification of any member of any committee and any alternate member in his or her place, the member or members of the committee present at the meeting and not disqualified from voting, whether or not he or she or they constitute a quorum, may by unanimous vote appoint another Manager to act at the meeting in the place of the absent or disqualified member.

**ARTICLE 4
OFFICERS**

Section 4.01 Designation of Officers. The officers of the Company (each, an “*Officer*”) shall consist of the Managers (each of whom shall automatically hold the office designated as “Manager” of the Company for so long as such individual serves as a member of the Board of Managers), a President, one

or more Vice Presidents, a Secretary, a Treasurer and such other officers as may from time to time be appointed by the Board of Managers. Any number of offices may be held by the same person.

Section 4.02 Appointment of Officers. Officers shall be appointed by the Board of Managers from time to time. The Officers of the Company on the date hereof and their respective offices are set forth on Schedule B. Each Officer shall hold office until his or her successor is elected and qualified or until his or her earlier death, resignation or removal.

Section 4.03 Duties of Officers. The Officers shall have such powers, authorities and duties in the management of the business and affairs of the Company as provided in this Section 4.03 and as the Board of Managers, or any duly authorized committee thereof, may from time to time prescribe, subject to the control and direction of the Board of Managers and, if applicable, such committee.

(a) **President.** The President shall be the chief executive officer of the Company. Subject to the provisions of this Agreement and to the direction of the Board of Managers, he or she shall have the responsibility for the general management and control of the business and affairs of the Company and shall perform all duties and have all powers which are commonly incident to the office of chief executive. He or she shall have power to sign all contracts and other instruments of the Company which are authorized and shall have general supervision and direction of all of the other officers, employees and agents of the Company.

(b) **Vice President.** Each Vice President shall have such powers and duties as may be delegated to him or her by the Board of Managers or any duly authorized committee thereof. One (1) Vice President shall be designated by the Board to perform the duties and exercise the powers of the President in the event of the President's absence or disability.

(c) **Treasurer.** The Treasurer shall have the responsibility for maintaining the financial records of the Company. He or she shall make such disbursements of the funds of the Company as are authorized and shall render from time to time an account of all such transactions and of the financial condition of the Company.

(d) **Secretary.** The Secretary shall issue all authorized notices for, and shall keep minutes of, all meetings of the Member and the Board of Managers and each committee thereof. He or she shall have charge of the corporate books.

Section 4.04 Delegation of Authority. The Board of Managers, or any duly authorized committee thereof, may from time to time delegate the powers or duties of any Officer to any other Officers or agents of the Company, notwithstanding any provision hereof.

Section 4.05 Removal. Any Officer (other than a Manager) may be removed at any time, with or without cause, by the Board of Managers.

Section 4.06 Resignation. Any Officer may resign at any time by giving written notice to the Board of Managers; *provided* that any Officer resigning from the office of "Manager" must concurrently resign as a member of the Board of Managers. Any resignation shall take effect at the date of receipt of that notice or any later time specified in that notice and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective.

Section 4.07 Action with Respect to Securities of Other Corporations. Unless otherwise directed by the Board of Managers, the President or any Officer authorized by the President shall have power to vote and otherwise act on behalf of the Company, in person or by proxy, at any meeting of

stockholders of or with respect to any action of stockholders of any other corporation in which this Company may hold securities and otherwise to exercise any and all rights and powers which this Company may possess by reason of its ownership of securities in such other corporation.

ARTICLE 5 MANAGERS AND OFFICERS

Section 5.01 Fiduciary Duties. Except as otherwise provided in this Agreement, in exercising their rights and performing their duties under this Agreement, the Managers and Officers shall have a fiduciary duty of loyalty and care to the Member similar to that of a director or officer, as the case may be, of a business corporation organized under the General Corporation Law of the State of Delaware.

Section 5.02 Liability for Certain Acts. No Manager or Officer shall be liable to the Company or to the Member for any loss or damage sustained by the Company or the Member, except to the extent, if any, that the loss or damage shall have been the result of gross negligence, fraud, deceit, willful misconduct, or willful breach of this Agreement by such Manager or Officer.

Section 5.03 No Liability for Company Obligations. Except as otherwise provided by the non-waivable provisions of the Act or by the express provisions of this Agreement, no Manager or Officer shall have any personal liability for any debts, obligations, liabilities or losses of the Company solely by reason of being or acting as a Manager or Officer.

Section 5.04 No Exclusive Duty to Company. The Managers and Officers shall not have any exclusive duty to act on behalf of the Company. The Managers and Officers may have other business interests and may engage in other activities in addition to those relating to the Company. The Company shall have no right, by virtue of this Agreement, to share or participate in any other investments or activities of the Managers or Officers, and no Manager or Officer shall incur any liability to the Company as a result of engaging in any other business or venture.

Section 5.05 Facsimile Signatures. In addition to the provisions for use of facsimile signatures elsewhere specifically authorized in this Agreement, facsimile signatures of any Officer or Manager may be used whenever and as authorized by the Board of Managers or a committee thereof.

Section 5.06 Reliance upon Books, Reports and Records. Each Manager and each Officer shall, in the performance of his or her duties (whether as an officer or agent of the Company or as a member of the Board or any committee thereof), be fully protected in relying in good faith upon the books of account or other records of the Company and upon such information, opinions, reports or statements presented to the Company by any of its Managers, Officers or employees, or committees of the Board of Managers so designated, or by any other person as to matters which such Manager or Officer 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 Company.

Section 5.07 Agents. To the extent of their rights, powers, authorities and privileges set forth in this Agreement, the Managers are agents of the Company for the purpose of the Company's business, and the actions of the Managers taken in accordance with such powers set forth in this Agreement shall bind the Company.

ARTICLE 6 NOTICES

Section 6.01 Notices. Except as otherwise specifically provided herein or required by law, all notices required to be given to the Member, any Manager or any Officer shall be in writing and may in every instance be effectively given (i) by hand delivery to the recipient thereof, (ii) by depositing such notice in the mails, postage paid, (iii) by sending such notice by prepaid telegram, or (iv) by transmitting such notice by any form of communication not directly involving the physical transmission of paper that creates a record that may be retained, retrieved and reviewed by a recipient thereof and that may be directly reproduced in paper form by such a recipient through an automated process (any such form of communication, an “**Electronic Transmission**”). Any such notice shall be addressed to such Member, Manager or Officer at his or her last known address as the same appears on the books of the Company. The time when such notice is received, if hand delivered, or dispatched, if delivered through the mails or by telegram or transmitted by Electronic Transmission, shall be the time of the giving of the notice.

Section 6.02 Waivers. A written waiver of any notice, signed by a Member, Manager or Officer, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to the notice required to be given to such Member, Manager or Officer. Neither the business nor the purpose of any meeting need be specified in such a waiver.

ARTICLE 7 INDEMNIFICATION OF MANAGERS, OFFICERS, EMPLOYEES AND AGENTS

Section 7.01 Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a “**Proceeding**”), by reason of the fact that he or she is or was a Manager or Officer or is or was serving at the request of the Company as a director, manager, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (each, an “**Indemnitee**”), whether the basis of such Proceeding is alleged action in an official capacity as a Manager or Officer, or such a director, manager, officer, employee or agent or in any other capacity while serving as a Manager or Officer or such a director, manager, officer, employee or agent, shall be indemnified and held harmless by the Company to the fullest extent authorized by the Act (but, in the case of any amendment to the Act effective after the date hereof, only to the extent that such amendment permits the Company to provide broader indemnification rights than such law permitted the Company to provide prior to such amendment), against all expense, liability and loss (including attorneys’ fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such Indemnitee in connection therewith; *provided, however*, that, except as provided in Section 7.03 with respect to proceedings to enforce rights to indemnification, the Company shall indemnify any such Indemnitee in connection with a proceeding (or part thereof) initiated by such Indemnitee only if such proceeding (or part thereof) was authorized by the Board of Managers.

Section 7.02 Right to Advancement of Expenses. The right to indemnification conferred in Section 7.01 shall include the right to be paid by the Company the expenses (including attorney’s fees) incurred in defending any Proceeding in advance of its final disposition (an “**Advancement of Expenses**”); *provided, however*, that, if the Act so requires, an Advancement of Expenses incurred by an Indemnitee in his or her capacity as a Manager or Officer (and not in any other capacity in which service was or is rendered by such Indemnitee, including service to an employee benefit plan) shall be made only upon delivery to the Company of an undertaking (an “**Undertaking**”), by or on behalf of such Indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which

there is no further right to appeal (a “**Final Adjudication**”) that such Indemnitee is not entitled to be indemnified for such expenses under this Article 7 or otherwise. The rights to indemnification and to the Advancement of Expenses conferred in Article 7 shall be contract rights and shall continue as to an Indemnitee who has ceased to be a Manager or Officer, or a director, manager, officer, employee or agent of another entity, and shall inure to the benefit of the Indemnitee’s heirs, executors and administrators.

Section 7.03 Right of Indemnitee to Bring Suit. If a claim under Section 7.01 or Section 7.02 is not paid in full by the Company within sixty (60) days after a written claim has been received by the Company, except in the case of a claim for an Advancement of Expenses, in which case the applicable period shall be twenty (20) days, an Indemnitee may at any time thereafter bring suit against the Company to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, or in a suit brought by the Company to recover an Advancement of Expenses pursuant to the terms of an Undertaking, such Indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit. In (i) any suit brought by an Indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the Indemnitee to enforce a right to an Advancement of Expenses) it shall be a defense that, and (ii) in any suit brought by the Company to recover an Advancement of Expenses pursuant to the terms of an Undertaking, the Company shall be entitled to recover such expenses upon a Final Adjudication that; the Indemnitee has not met any applicable standard for indemnification set forth in the Act. Neither the failure of the Company (including the Board of Managers, independent legal counsel, or its Member) to have made a determination prior to the commencement of such suit that indemnification of the Indemnitee is proper in the circumstances because the Indemnitee has met the applicable standard of conduct set forth in the Act, nor an actual determination by the Company (including the Board of Managers, independent legal counsel, or its Member) that the Indemnitee has not met such applicable standard of conduct, shall create a presumption that the Indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the Indemnitee, be a defense to such suit. In any suit brought by the Indemnitee to enforce a right to indemnification or to an Advancement of Expenses hereunder, or brought by the Company to recover an Advancement of Expenses pursuant to the terms of an Undertaking, the burden of proving that the Indemnitee is not entitled to be indemnified, or to such Advancement of Expenses, under this Article 7 or otherwise shall be on the Company.

Section 7.04 Nonexclusivity of Rights. The rights to indemnification and to the Advancement of Expenses conferred in this Article 7 shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, the Certificate of Formation, this Agreement, any other agreement, vote or action of the Members, or disinterested Managers or otherwise.

Section 7.05 Insurance. The Company may maintain insurance, at its expense, to protect itself and any Manager, Officer or employee or agent of the Company or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Company would have the power to indemnify such person against such expense, liability or loss under the Act.

Section 7.06 Indemnification of Employees and Agents of the Company. The Company may, to the extent authorized from time by the Board of Managers, grant rights to indemnification and to the Advancement of Expenses to any employee or agent of the Company to the fullest extent of the provisions of this Article 7 with respect to the indemnification and Advancement of Expenses of Managers and Officers.

**ARTICLE 8
MEMBERS**

Section 8.01 No Liability for Company Obligations. Except as otherwise provided by the non-waivable provisions of the Act and by this Agreement, the Member shall have no personal liability for any debts, obligations, liabilities or losses of the Company solely by reason of being or acting as the Member.

Section 8.02 Approval of the Member. Except as otherwise expressly provided in this Agreement, the Member shall have no voting or approval rights, and all actions may be taken by the Board of Managers in accordance with this Agreement without any further consent or approval of the Member.

Section 8.03 Action by the Member Without a Meeting. Unless otherwise required in this Agreement, actions and consents of the Member may be communicated or reflected by Electronic Transmission, and no action need be taken at a formal meeting. Any action of the Member shall be effective when the Member delivers its written consent to the action to the Board of Managers. Any resolution adopted by the Board of Directors of the Member, whether at a meeting of the directors or by action by written consent, shall constitute an action or consent, as applicable, of the Member for all purposes of this Agreement and the Act, and shall be effective when a copy of such resolution is delivered by the Member to the Board of Managers or the Secretary of the Company.

Section 8.04 Other Businesses. The Member may engage in or possess an interest in other business ventures (unconnected with the Company) of every kind and description, independently or with others, whether or not directly competitive with the business of the Company. The Company shall have no right, by virtue of this Agreement or the Member's membership in the Company, to share or participate in any other investments or activities of the Member, and the Member shall not incur any liability to the Company as a result of engaging in any other business or venture.

Section 8.05 Admission of Additional Members. The Company may not admit any additional members except in connection with an assignment of the Member's Interests in accordance with Section 8.06.

Section 8.06 Assignment. Except as provided in this Section 8.06, the Member may not assign, sell, gift, pledge, or otherwise transfer or encumber its Interests to any other Person, and any purported assignment not complying with this Section 8.06 shall be null and void *ab initio* and of no force or effect. The Member may assign its entire right, title and interest in all of its Interests to any other Person, in whole, but not in part, provided that the agreement effecting the assignment of the Interests provides that, effective at the time of such assignment, (A) the assignee is admitted as a member of the Company; (B) the assigning Member resigns as a member of the Company; and (C) the assignee will be bound by all of the terms and conditions of this Agreement as the "Member" hereunder. Upon the effective time of such assignment, the assignor shall cease to be, and the assignee shall become, a member of the Company and the "Member" hereunder.

**ARTICLE 9
CONTRIBUTIONS TO THE COMPANY AND CAPITAL ACCOUNTS**

Section 9.01 Limited Liability Company Interests. The Company is authorized to issue a single class of Interests, including any and all benefits to which the holder of such Interests may be

entitled pursuant to this Agreement, together with all obligations of such person to comply with the terms and provisions of this Agreement.

Section 9.02 Initial and Additional Contributions. As of the date hereof, the Member has made an initial capital contribution of US \$1,000 to the Company. The Member shall not be obligated to make any additional capital contributions; *provided* that the Member may elect to make an additional capital contribution from time to time in its sole discretion.

Section 9.03 Loans. The Member may make one or more loans to, or borrow money from, the Company on such terms and conditions as may be approved by the Member.

ARTICLE 10 DISTRIBUTIONS TO THE MEMBER

Section 10.01 Distributions. Except as otherwise provided in Section 10.02, distributable cash or other property shall be distributed to the Member at such times as the Board of Managers shall determine.

Section 10.02 Limitation Upon Distributions. No distribution shall be made to the Member in respect of its Interests if, in the sole discretion of the Board of Managers: (i) the Company would not be able to pay its debts as they become due in the usual course of business; (ii) the Company's total assets would be less than the sum of its total liabilities; or (iii) such distribution would otherwise constitute a violation of the Act.

Section 10.03 Interest On and Return of Capital Contributions. The Member shall not be entitled to interest on the Member's capital contribution or to a return of the Member's capital contribution, except as otherwise specifically provided for herein.

ARTICLE 11 TAX CHARACTERIZATION

Section 11.01 Tax Characterization. For so long as for federal income tax purposes the Member holds all of the Interests in the Company, and no Interests have been assigned as provided in § 702 of the Act or charged as provided in § 703 of the Act, it is the intention of the Member that the Company be disregarded for federal and all relevant state tax purposes and that the activities of the Company be deemed to be activities of the Member for such purposes.

ARTICLE 12 BOOKS AND RECORDS

Section 12.01 Fiscal Year. The fiscal year of the Company shall be the fiscal year of the Member, or such other fiscal year as shall be fixed by the Board of Managers.

Section 12.02 Records and Reports. At the expense of the Company, the Board of Managers shall maintain records and accounts of all operations and expenditures of the Company. The Company's books of account shall be kept using the method of accounting determined by the Member. The Company's independent auditor shall be the independent public accounting firm selected from time to time by the Member. The Company shall keep at its principal place of business the following records:

- (a) a current list of the full name and last known address of the Member and each Manager;
- (b) copies of records to enable the Member to determine the voting rights, if any, of the Member;
- (c) a copy of the Certificate of Formation of the Company and all amendments thereto;
- (d) copies of the Company's federal, state, and local income tax returns and reports, if any, for the three most recent years;
- (e) copies of this Agreement, as amended, restated, supplemented or otherwise modified and in effect from time to time; and
- (f) copies of any financial statements of the Company (but if prepared at the election of the Board of Managers) for the three most recent years.

Section 12.03 Inspection by Member. The books and records shall at all times be maintained at the principal office of the Company and shall be open to the reasonable inspection and examination of the Member, or its duly authorized representative during reasonable business hours. Neither the Company nor the Board of Managers shall have any right or authority to keep confidential from the Member any information that the Board of Managers would otherwise be permitted to keep confidential from the Member pursuant to Section 305(c) of the Act.

ARTICLE 13 DISSOLUTION AND TERMINATION

Section 13.01 Dissolution. The Company shall be dissolved, and its affairs shall be wound up, only upon the occurrence of either of the following events: (i) the written consent of the Member; (ii) the retirement, resignation or dissolution of the last remaining member of the Company or the occurrence of any other event which terminates the continued membership of the last remaining member of the Company in the Company, unless in either case the business of the Company is continued in a manner permitted by the Act, or (iii) by an entry or decree of judicial dissolution as contemplated under the Act. Without limiting the foregoing, the bankruptcy (as defined in Sections 101(1) and 304 of the Act) of the Member will not cause the Member to cease to be a member of the Company and upon the occurrence of such an event, the business of the Company shall continue without dissolution.

Section 13.02 Effect of Dissolution. In the event of dissolution, the Company shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in the manner, and in the order of priority, set forth in Section 804 of the Act. Upon dissolution, the Board of Managers shall cause a statement of commencement of winding up to be filed and any notice required by the Act to be published. Upon completion of the winding-up, liquidation and distribution of the assets, the Company shall be deemed terminated.

Section 13.03 Return of Contribution; Nonrecourse to Other Members. Upon dissolution, each member shall look solely to the assets of the Company for the return of such member's capital contribution. If the Company property remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return the capital contribution of one or more members, then

such member or members shall have no recourse against any other member or, except as provided in Section 5.03, any Manager.

ARTICLE 14 MISCELLANEOUS PROVISIONS

Section 14.01 Application of Delaware Law. This Agreement, and the application or interpretation hereof, shall be governed exclusively by its terms and by the Act as amended from time to time (or any corresponding provisions of succeeding law). This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware applicable to agreements negotiated, executed and to be performed entirely within said State.

Section 14.02 Execution of Additional Instruments. The Member hereby agrees to execute such other and further statements of interest and holdings, designations, powers of attorney and other instruments necessary to comply with any laws, rules or regulations.

Section 14.03 Headings. The Article, Section and other headings in this Agreement are inserted purely as a matter of convenience and for ease of reference only and shall be disregarded for all other purposes, including the construction, interpretation or enforcement of this Agreement or any of its terms or provisions.

Section 14.04 Construction. Unless the context otherwise requires, whenever used herein,: (i) the words “include,” “includes,” and “including” will be deemed to be followed by “without limitation”; (ii) pronouns in masculine, feminine, and neuter genders will be construed to include any other gender; (iii) words in the singular form will be construed to include the plural and vice versa; (iv) the words “this Agreement,” “herein,” “hereof,” “hereby,” “hereunder,” and words of similar import refer to this Agreement as a whole and not to any particular subdivision; (v) any reference to designated “Sections,” “Articles” or other subdivisions, Schedules or Exhibits, are to the designated Sections, Articles and other subdivisions of, or Schedule or Exhibit to, this Agreement; and (vi) the term “or” shall not be exclusive.

Section 14.05 Time Periods. In applying any provision of this Agreement which requires that an act be done or not be done a specified number of days prior to an event or that an act be done during a period of a specified number of days prior to an event, calendar days shall be used, the day of the doing of the act shall be excluded, and the day of the event shall be included.

Section 14.06 Waivers. The failure of any party to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

Section 14.07 Heirs, Successors and Assigns. The terms of this Agreement shall be binding upon and inure to the benefit of the party hereto and its permitted legal representatives, successors and assigns.

Section 14.08 Third Party Beneficiaries. This Agreement is made solely for the benefit of the parties hereto and their respective representatives, successors and assigns, and no other Person shall have or acquire any right or remedy by virtue hereof except as otherwise expressly provided herein.

Section 14.09 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

Section 14.10 No Action for Partition. The Member has no right to maintain any action for partition with respect to the property of the Company.

Section 14.11 Amendments. Any amendment, supplement or other modification to this Agreement must be made in writing and approved by the Member.

Section 14.12 Conflicts with the Act. If any particular provision herein is construed to be in conflict with the provisions of the Act, the provisions of this Agreement shall control to the fullest extent permitted by applicable law. Any provision found to be invalid or unenforceable shall not affect or invalidate the other provisions hereof, and this Agreement shall be construed in all respects as if such conflicting provision were omitted.

Section 14.13 Entire Agreement. This Agreement and the certificates and other documents delivered pursuant to this Agreement contain the entire agreement by the party with respect to the matters described herein, and supersede all prior agreements, written or oral, with respect thereto.

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IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the date set forth on the first page of this Agreement.

NORTHROP GRUMMAN SYSTEMS CORPORATION,
sole Member

By: /s/ Mark Rabinowitz
Mark Rabinowitz
President and Treasurer

INITIAL MANAGERS OF THE COMPANY

Gary W. McKenzie
Mark Rabinowitz
Kathleen M. Salmas

INITIAL OFFICERS OF THE COMPANY

Officer

Rabinowitz, Mark
McKenzie, Gary W.
Salmas, Kathleen M.

Office

President and Treasurer
Vice President
Secretary