

# FORM 8-A

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Registration of Certain Classes of Securities  
Pursuant to Section 12(b) or (g) of the  
Securities Exchange Act of 1934

## GREAT PLAINS ENERGY INCORPORATED

(Exact name of registrant as specified in its Articles of Incorporation)

<b>Missouri</b> (State of Incorporation or Organization)	<b>43-1916803</b> (I.R.S. Employer Identification No.)
<b>1201 Walnut Street</b> <b>Kansas City, Missouri</b> (Address of principal executive offices)	<b>64106</b> (Zip Code)

Securities to be registered pursuant to Section 12(b) of the Act:

Titles of each class to be so registered

Name of each exchange on  
which each class is to be registered

**Income PRIDES**

**New York Stock Exchange**

If this form relates to the registration of a class of securities pursuant to Section 12(b) of the Exchange Act and is effective pursuant to General Instruction A.(c), check the following box. (X)

If this form relates to the registration of a class of securities pursuant to Section 12(g) of the Exchange Act and is effective pursuant to General Instruction A.(d), check the following box. ( )

Securities Act registration statement file number to which this form relates: **333-114486**.

Securities to be registered pursuant to Section 12(g) of the Act:

**None**

Title of Class

Title of Class

### ITEM 1. DESCRIPTION OF REGISTRANT'S SECURITIES TO BE REGISTERED.

The description of the securities to be registered hereunder is set forth under the caption "Description of the FELINE PRIDES" in the Prospectus Supplement, dated June 4, 2004, supplementing the Prospectus, dated (the "Prospectus Supplement"), of the Registrant, which constitutes a part of the registration statement (the "Registration Statement") on Form S-3 (File No. 333-114486) of the Registrant which was initially filed with the Securities and Exchange Commission (the "Commission") on April 15, 2004. The Prospectus Supplement, which was filed with the Commission pursuant to Rule 424(b)(2) under the Securities Act and relates to the Registration Statement, is deemed to be incorporated herein by reference.

### ITEM 2. EXHIBITS.

(c) Exhibit Description of Exhibit  
No.

- 3.1 Articles of Incorporation of Great Plains Energy Incorporated (filed as Exhibit 3(i) to Registrant's Form 8-K filed October 1, 2001, and hereby incorporated by reference).
- 3.2 Bylaws of Great Plains Energy Incorporated, as amended September 16, 2003 (filed as Exhibit 3.1 to Form 10-Q for the period ended September 30, 2003 and hereby incorporated by reference).
- 4.1

Form of Purchase Contract Agreement between the Registrant and BNY Midwest Trust Company, as Purchase Contract Agent.


- 4.2 Form of Pledge Agreement among the Registrant, BNY Midwest Trust Company, as Collateral Agent, Custodial Agent and Securities Intermediary and BNY Midwest Trust Company, as Purchase Contract Agent.
- 4.3 Form of Remarketing Agreement among the Registrant, BNY Midwest Trust Company, as Purchase Contract Agent, and the Remarketing Agent named therein.
- 4.4 Form of Supplemental Indenture between the Registrant and The Bank of New York, as Trustee.
- 4.5 Registration Statement on Form S-3 (File No. 333-114486) (filed with the Securities and Exchange Commission on April 15, 2004 and incorporated herein by reference).
- 4.6 Form of Income PRIDES (included in Exhibit [4.1] as Exhibit A thereto).
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### **SIGNATURES**

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has caused this registration statement to be signed on its behalf by the undersigned, thereto duly authorized.

**GREAT PLAINS ENERGY INCORPORATED**

/s/Andrea F. Bielsker

  
Andrea F. Bielsker  
Senior Vice President - Finance, Chief  
Financial Officer and Treasurer

Date: June 7, 2004

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GREAT PLAINS ENERGY INCORPORATED

AND

BNY MIDWEST TRUST COMPANY  
as Purchase Contract Agent

PURCHASE CONTRACT AGREEMENT

Dated as of \_\_\_\_\_, 2004

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PURCHASE CONTRACT AGREEMENT, dated as of \_\_\_\_\_, 2004, between Great Plains Energy Incorporated, a Missouri corporation (the "Company"), and BNY Midwest Trust Company, acting as purchase contract agent and attorney-in-fact for the Holders of Securities from time to time (in any one or more of such capacities, the "Agent").

#### RECITALS

The Company has duly authorized the execution and delivery of this Agreement and the Certificates evidencing the Securities.

All things necessary to make the Purchase Contracts, when the Certificates are executed by the Company and authenticated, executed on behalf of the Holders and delivered by the Agent, as provided in this Agreement, the valid obligations of the Company and the Holders, and to constitute these presents a valid agreement of the Company, in accordance with its terms, have been done.

#### WITNESSETH:

For and in consideration of the premises and the purchase of the Securities by the Holders thereof, it is mutually agreed as follows:

### ARTICLE I

#### DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

##### SECTION 1.1 DEFINITIONS.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

- (a) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular; and nouns and pronouns of the masculine gender include the feminine and neuter genders;
- (b) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with accounting principles generally accepted in the United States;
- (c) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision; and
- (d) the following terms have the meanings given to them in this Section 1.1(d):

"Accounting Event" means the receipt by the audit committee of the Board of Directors of a written report in accordance with Statement on Auditing Standards ("SAS") No. 97, "Amendment to SAS No. 50-Reports on the Application of Accounting Principles," from the

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Company's independent auditors, provided at the request of management of the Company, to the effect that, as a result of any change in accounting rules or interpretations thereof after June \_\_, 2004, the Company must either (a) account for the Purchase Contracts as derivatives under SFAS 133 (or any successor accounting standard) or (b) account for the Securities using the if-converted method under SFAS 128 (or any successor accounting standard), and that such accounting treatment will cease to apply upon redemption of the Debt Securities; provided, however, that no accounting event shall occur or continue on or after the earlier of the date of any successful remarketing of the Debt Securities and the Purchase Contract Settlement Date.

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

"Adjusted Remarketing Price" means the Remarketing Price, provided that if the Remarketing Price exceeds 100% of the principal amount of the Debt Securities, the Adjusted Remarketing Price shall mean the Remarketing Price amortizing on a daily basis through the maturity date of the Debt Securities to 100% of the principal amount of the Debt Securities.

"Affiliate" has the same meaning as given to that term in Rule 405 of the Securities Act of 1933, as amended, or any successor rule thereunder.

"Agent" means the Person named as the "Agent" in the first paragraph of this instrument until a successor Agent shall have become such pursuant to the applicable provisions of this Agreement, and thereafter "Agent" shall mean such Person.

"Agreement" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more agreements supplemental hereto entered into pursuant to the applicable provisions hereof.

"Applicable Market Value" has the meaning specified in Section 5.1.

"Applicable Ownership Interest" means, with respect to the U.S. Treasury Securities in a Treasury Portfolio contained in an Income PRIDES, (1) for a Remarketing Treasury Portfolio, (i) a 1/40, or 2.5%, undivided beneficial ownership interest in a \$1,000 principal or interest amount of a principal or interest strip in a U.S. Treasury Security included in the Treasury Portfolio that matures on or prior to February 15, 2007, (ii) if the Reset Date occurs prior to November 16, 2006, for the originally scheduled quarterly Interest Payment Date on the Debt Securities that would have occurred on November 16, 2006 if no remarketing had occurred, a \_\_\_% undivided beneficial ownership interest (or, if the Reset Date is not otherwise an Interest Payment Date, such other percentage as determined by the Remarketing Agent) in a \$1,000 principal or interest amount of a principal or interest strip in a U.S. Treasury Security maturing on or prior to November 15, 2006 in an amount equal to the interest payment payable on November 16, 2006 in respect of a 1/40 beneficial ownership interest in \$1,000 aggregate principal amount of Debt Securities, assuming that (A) the interest rate on the Debt Securities had not been reset to the Reset Rate and (B) interest on the Debt Securities accrued from the Reset Date to but excluding November 16, 2006, and (iii) if the Reset Date occurs prior to February 16, 2007, for the originally scheduled quarterly Interest Payment Date on the Debt Securities that would have occurred on February 16, 2007 if no remarketing had occurred, a \_\_\_% undivided beneficial ownership interest (or, if the Reset Date is not otherwise an Interest Payment Date, such other

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percentage as determined by the Remarketing Agent) in a \$1,000 principal or interest amount of a principal or interest strip in a U.S. Treasury Security maturing on or prior to February 15, 2007 in an amount equal to the interest payment payable on February 16, 2007 in respect of a 1/40 beneficial ownership interest in \$1,000 aggregate principal amount of Debt Securities, assuming that (A) the interest rate on the Debt Securities had not been reset to the Reset Rate and (B) interest on the Debt Securities accrued from the later of the Reset Date and November 16, 2006 to but excluding February 16, 2007, or (2) for a Special Event Treasury Portfolio, (i) a 1/40, or 2.5%, undivided beneficial ownership interest in a \$1,000 principal or interest amount of a principal or interest strip in a U.S. Treasury Security included in the Treasury Portfolio that matures on or prior to February 15, 2007, and (ii) for each scheduled Interest Payment Date on the Debt Securities that occurs after the Special Event Redemption Date and on or prior to February 16, 2007, a \_\_\_% undivided beneficial ownership interest (or, if the Special Event Redemption Date is not otherwise an Interest Payment Date, such other percentage as determined by the Quotation Agent in respect of the Interest Payment Date next following the Special Event Redemption Date) in a \$1,000 principal or interest amount of a principal or interest strip in a U.S. Treasury Security maturing on or prior to that Interest Payment Date in an amount equal to the interest payment payable on each such Interest Payment Date in respect of a 1/40 beneficial ownership interest in \$1,000 aggregate principal amount of Debt Securities, assuming that interest on the Debt Securities accrued from the Special Event Redemption Date.

"Applicable Principal Amount" means (i) on any date prior to the Reset Date if such date is also prior to February 16, 2007, the aggregate principal amount of Debt Securities that are components of Income PRIDES on such date or (ii) on any date on or after the Reset Date or, if there is a Failed Remarketing, on or after February 16, 2007, the aggregate principal amount of the Debt Securities outstanding on such date.

"Authorized Newspaper" means a newspaper in the English language of general circulation in the City of New York and generally published on each Business Day. As of the date of this Agreement, the Company anticipates that for purposes of each Remarketing Announcement Date, the Authorized Newspaper will be the Wall Street Journal.

"Authorized Officer" means the Chairman of the Board, the President, any Vice President, the Treasurer, any Assistant Treasurer, or any other officer or agent of the Company duly authorized by the Board of Directors to act in respect of matters relating to this Agreement.

"Bankruptcy Code" means title 11 of the United States Code, or any other law of the United States that from time to time provides a uniform system of bankruptcy laws.

"Beneficial Owner" means, with respect to a Book-Entry Interest, a Person who is the beneficial owner of such Book-Entry Interest as reflected on the books of the Clearing Agency or on the books of a Person maintaining an account with such Clearing Agency (directly as a Clearing Agency Participant or as an indirect participant, in each case in accordance with the rules of such Clearing Agency).

"Board of Directors" means the board of directors of the Company or a duly authorized committee of that board.

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"Board Resolution" means one or more resolutions of the Board of Directors, a copy of which has been certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification and delivered to the Agent.

"Book-Entry Interest" means a beneficial interest in a Global Certificate, ownership and transfers of which shall be maintained and made through book entries by a Clearing Agency as described in Section 3.6.

"Business Day" means each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions or trust companies in the Borough of Manhattan, the City and State of New York, or the state of Missouri are obligated or authorized by law or executive order to close.

"Cash Merger" has the meaning specified in Section 5.9(b).

"Cash Merger Early Settlement" has the meaning specified in Section 5.9(b).

"Cash Merger Early Settlement Amount" has the meaning specified in Section 5.9(b)(ii).

"Cash Merger Early Settlement Date" has the meaning specified in Section 5.9(b).

"Cash Settlement" has the meaning specified in Section 5.4(a)(i).

"Certificate" means an Income PRIDES Certificate or a Growth PRIDES Certificate.

"Clearing Agency" means an organization registered as a "Clearing Agency" pursuant to Section 17A of the Exchange Act that is acting as a depository for the Securities and in whose name, or in the name of a nominee of that organization, shall be registered as a Global Certificate and which shall undertake to effect book entry transfers and pledges of the Securities.

"Clearing Agency Participant" means a broker, dealer, bank, other financial institution or other Person for whom from time to time the Clearing Agency effects book entry transfers and pledges of securities deposited with the Clearing Agency.

"Closing Price" has the meaning specified in Section 5.1.

"Collateral" has the meaning specified in Section 2.1 of the Pledge Agreement.

"Collateral Agent" means BNY Midwest Trust Company, as Collateral Agent under the Pledge Agreement until a successor Collateral Agent shall have become such pursuant to the applicable provisions of the Pledge Agreement, and thereafter "Collateral Agent" shall mean the Person who is then the Collateral Agent thereunder.

"Collateral Substitution" means the substitution of the pledged components of one type of Security for pledged components of the other type of Security in connection with establishment or reestablishment of Growth PRIDES or Income PRIDES, as described in Sections 3.13 and 3.14 hereof.

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"Common Stock" means the Common Stock, without par value, of the Company.

"Company" means the Person named as the "Company" in the first paragraph of this instrument until a successor shall have become such pursuant to the applicable provision of this Agreement, and thereafter "Company" shall mean such successor.

"Company Certificate" means a certificate signed by an Authorized Officer and delivered to the Agent.

"Constituent Person" has the meaning specified in Section 5.6(b).

"Contract Adjustment Payments" means the amounts payable by the Company in respect of each Purchase Contract issued in connection with the Income PRIDES and the Growth PRIDES, which amounts shall be equal to \_\_\_% per annum of the Stated Amount; computed on the basis of a 360-day year of twelve 30-day months, plus any Deferred Contract Adjustment Payments accrued pursuant to Section 5.3.

"Corporate Trust Office" means the corporate trust office of the Agent at which, at any particular time, its corporate trust business shall be principally administered, which office at the date hereof is located at \_\_\_\_\_.

"Coupon Rate" with respect to a Debt Security means the percentage rate per annum at which such Debt Security will bear interest.

"Current Market Price" has the meaning specified in Section 5.6(a)(8).

"Debt Securities" means the series of debt securities of the Company to be designated "Senior Notes initially due 2009" issued under the Indenture.

"Default" means a default by the Company in any of its obligations under this Agreement.

"Deferred Contract Adjustment Payments" has the meaning specified in Section 5.3.

"Depository" means, initially, DTC until another Clearing Agency becomes its successor.

"DTC" means The Depository Trust Company, the initial Clearing Agency.

"Early Settlement" has the meaning specified in Section 5.9(a).

"Early Settlement Amount" has the meaning specified in Section 5.9(a).

"Early Settlement Date" has the meaning specified in Section 5.9(a).

"Early Settlement Rate" has the meaning specified in Section 5.9(b).

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and any statute successor thereto, in each case as amended from time to time, and the rules and regulations promulgated thereunder.

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"Expiration Date" has the meaning specified in Section 1.4.

"Expiration Time" has the meaning specified in Section 5.6(a)(6).

"Failed Remarketing" means the failure of a successful remarketing of the Debt Securities to occur on or prior to the third Business Day immediately preceding the Purchase Contract Settlement Date.

"Final Three-Day Remarketing Period" means the Three-Day Remarketing Period beginning on and including the fifth Business Day, and ending on and including the third Business Day, prior to February 16, 2007.

"Global Certificate" means a Certificate that evidences all or part of the Securities and is registered in the name of a Depository or a nominee thereof.



"Growth PRIDES" means a Security, initially issued in substantially the form set forth as Exhibit B hereto in a Stated Amount of \$25, which represents (i) a 1/40 undivided beneficial ownership interest in a Treasury Security having a principal amount at maturity equal to \$1,000, and (ii) the rights and obligations of the Company and the Holder under one Purchase Contract.

"Growth PRIDES Certificate" means a certificate evidencing the rights and obligations of a Holder in respect of the number of Growth PRIDES specified on such certificate.

"Growth PRIDES Register" and "Growth PRIDES Registrar" have the respective meanings specified in Section 3.5.

"Holder," when used with respect to a Security, means the Person in whose name the Security evidenced by an Income PRIDES Certificate and/or a Growth PRIDES Certificate is registered on the Income PRIDES Register and/or the Growth PRIDES Register, as the case may be.

"Income PRIDES" means a Security, initially issued in substantially the form set forth as Exhibit A hereto in the Stated Amount of \$25, which represents (i) beneficial ownership by the Holder of either (a) prior to the occurrence of a Special Event Redemption (1) a 1/40 undivided beneficial ownership interest in \$1,000 principal amount of Debt Securities, or (2) on and after the Reset Date, (x) an Applicable Ownership Interest in the Remarketing Treasury Portfolio, subject to the Pledge of such Debt Security or Applicable Ownership Interest in the Remarketing Treasury Portfolio by the Holder pursuant to the Pledge Agreement, and (y) if the Reset Date occurs on a date that is not also a Payment Date, prior to the Payment Date next following the Reset Date, the right to receive the interest accrued on the 1/40 undivided beneficial ownership interest in \$1,000 principal amount of Debt Securities from and including the Payment Date immediately preceding the Reset Date to but excluding the Reset Date, or (b) on or after the occurrence of a Special Event Redemption prior to the Purchase Contract Settlement Date, an Applicable Ownership Interest in the Special Event Treasury Portfolio, subject to the Pledge of such Applicable Ownership Interest in the Special Event Treasury Portfolio by the Holder pursuant to the Pledge Agreement, and (ii) the rights and obligations of the Company and the Holder under one Purchase Contract.

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"Income PRIDES Certificate" means a certificate evidencing the rights and obligations of a Holder in respect of the number of Income PRIDES specified on such certificate.

"Income PRIDES Register" and "Income PRIDES Registrar" have the respective meanings specified in Section 3.5.

"Indenture" means the Indenture, dated as of June 1, 2004 between the Company and the Indenture Trustee, as supplemented by the First Supplemental Indenture thereto, dated as of \_\_\_\_\_, 2004 and as may be further supplemented by one or more additional indentures supplemental thereto.

"Indenture Trustee" means BNY Midwest Trust Company, as trustee under the Indenture, or any successor thereto.

"Interest Payment Date" with respect to the Debt Securities, has the meaning set forth in the Indenture.

"Issuer Order" or "Issuer Request" means a written order or request signed in the name of the Company by an Authorized Officer and delivered to the Agent.

"non-electing share" has the meaning set forth in Section 5.6(b).

"NYSE" has the meaning specified in Section 5.1.

"Officer's Certificate" means a certificate signed by an authorized signatory of the Company establishing the terms of the debt securities of any series pursuant to the Indenture.

"Opinion of Counsel" means an opinion in writing signed by legal counsel, who may be an employee of or counsel to the Company or an Affiliate and who shall be reasonably acceptable to the Agent.

"Outstanding," with respect to any Income PRIDES or Growth PRIDES means, as of the date of determination, all Income PRIDES or Growth PRIDES evidenced by Certificates theretofore authenticated, executed and delivered under this Agreement, except:

(i) If a Termination Event has occurred, (A) Growth PRIDES for which Treasury Securities have been deposited with the Agent in trust for the Holders of such Growth PRIDES and (B) Income PRIDES for which Debt Securities or the appropriate Applicable Ownership Interest in a Treasury Portfolio (or as contemplated in Section 3.15 hereto with respect to a Holder's interest in the Treasury Portfolio, cash) has been theretofore deposited with the Agent in trust for the Holders of such Income PRIDES;

(ii) Income PRIDES and Growth PRIDES evidenced by Certificates theretofore cancelled by the Agent or delivered to the Agent for cancellation or deemed cancelled pursuant to the provisions of this Agreement; and

(iii) Income PRIDES and Growth PRIDES evidenced by Certificates in exchange for or in lieu of which other Certificates have been authenticated, executed on

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behalf of the Holder and delivered pursuant to this Agreement, other than any such Certificate in respect of which there shall have been presented to the Agent proof satisfactory to it that such Certificate is held by a bona fide purchaser in whose hands the Income PRIDES or Growth PRIDES evidenced by such Certificate are valid obligations of the Company; provided, however, that in determining whether the Holders of the requisite number of the Income PRIDES or Growth PRIDES have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Income PRIDES or Growth PRIDES owned by the Company or any Affiliate of the Company shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Agent shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Income PRIDES or Growth PRIDES which a Responsible Officer of the Agent actually knows to be so owned shall be so disregarded. Income PRIDES or Growth PRIDES so owned which have been pledged in good faith may be regarded as Outstanding Securities if the pledgee establishes to the satisfaction of the Agent the pledgee's right to so act with respect to such Income PRIDES or Growth PRIDES and that the pledgee is not the Company or any Affiliate of the Company.

"Paying Office" means the office of the Agent for purposes of making payments on the Securities in The City of New York, Borough of Manhattan, currently located at \_\_\_\_\_.

"Payment Date" means each of February 16, May 16, August 16 and November 16, commencing \_\_\_\_\_, 2004.

"Period For Early Remarketing" means the period beginning on and including the third Business Day prior to August 16, 2006 and ending on and including the ninth Business Day prior to February 16, 2007, the last possible Remarketing Date prior to the Final Three-Day Remarketing Period.

"Permitted Investments" has the meaning set forth in Article I of the Pledge Agreement.

"Person" means a legal person, including any individual, corporation, estate, partnership, joint venture, association, joint-stock company, limited liability company, trust, unincorporated association or government or any agency or political subdivision thereof or any other entity of whatever nature.

"Pledge" means the pledge under the Pledge Agreement of the Debt Securities, the Treasury Securities or the appropriate Applicable Ownership Interest in a Treasury Portfolio, in each case constituting a part of the Securities.

"Pledge Agreement" means the Pledge Agreement, dated as of the date hereof, by and among the Company, the Agent, as purchase contract agent and as attorney-in-fact for the Holders from time to time of Securities, and the Collateral Agent, as the collateral agent, the custodial agent and the securities intermediary.

"Pledged Applicable Ownership Interest in a Treasury Portfolio" has the meaning specified in Section 2.1 of the Pledge Agreement.

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"Pledged Debt Securities" has the meaning specified in Section 2.1 of the Pledge Agreement.

"Pledged Treasury Securities" has the meaning specified in Section 2.1 of the Pledge Agreement.

"Predecessor Certificate" means a Predecessor Income PRIDES Certificate or a Predecessor Growth PRIDES Certificate.

"Predecessor Income PRIDES Certificate" of any particular Income PRIDES Certificate means every previous Income PRIDES Certificate evidencing all or a portion of the rights and obligations of the Company and the Holder under the Income PRIDES evidenced thereby; and, for the purposes of this definition, any Income PRIDES Certificate authenticated and delivered under Section 3.10 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Income PRIDES Certificate shall be deemed to evidence the same rights and obligations of the Company and the Holder as the mutilated, destroyed, lost or stolen Income PRIDES Certificate.

"Predecessor Growth PRIDES Certificate" of any particular Growth PRIDES Certificate means every previous Growth PRIDES Certificate evidencing all or a portion of the rights and obligations of the Company and the Holder under the Growth PRIDES evidenced thereby; and, for the purposes of this definition, any Growth PRIDES Certificate authenticated and delivered under Section 3.10 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Growth PRIDES Certificate shall be deemed to evidence the same rights and obligations of the Company and the Holder as the mutilated, destroyed, lost or stolen Growth PRIDES Certificate.

"Primary Treasury Dealer" means a primary U.S. government securities dealer in New York City.

"Proceeds" has the meaning set forth in Article I of the Pledge Agreement.

"Purchase Contract," when used with respect to any Security, means the contract forming a part of such Security and obligating (A) the Company to sell to the Holder of such Security and the Holder of such Security to purchase not later than the Purchase Contract Settlement Date, for \$25 in cash, a number of newly issued shares of Common Stock equal to the applicable Settlement Rate, and (B) the Company to pay the Holder Contract Adjustment Payments on the terms and subject to the conditions set forth in Article Five hereof.

"Purchase Contract Settlement Date" means February 16, 2007.

"Purchase Contract Settlement Fund" has the meaning specified in Section 5.5.

"Purchase Price" has the meaning specified in Section 5.1.

"Purchased Shares" has the meaning specified in Section 5.6(a)(6).

"Quotation Agent" means (i) Merrill Lynch Government Securities, Inc. or its successor, provided, however, that, if the foregoing shall cease to be a Primary Treasury Dealer, the

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Company shall substitute therefor another Primary Treasury Dealer, and (ii) any other Primary Treasury Dealer selected by the Company.

"Record Date," for the payment of interest, distributions and Contract Adjustment Payments payable on any Payment Date means, as to any Global Certificate, the February 1, May 1, August 1 and November 1 prior to the related Payment Date, and as to any other Certificate, a day selected by the Company which shall be at least one Business Day but not more than 60 Business Days prior to such Payment Date (and which shall correspond to the related record date for the Debt Securities).

"Redemption Amount" means, for each \$1,000 principal amount of Debt Securities, (i) in the case of a Special Event Redemption occurring prior to the earlier of the Reset Date and February 16, 2007, the product of the principal amount of such Debt Security and a fraction whose numerator is the Special Event Treasury Portfolio Purchase Price and whose denominator is the aggregate principal amount of Debt Securities that are components of Income PRIDES, and (ii) in the case of a Special Event Redemption occurring on or after the Reset Date or, if there is a Failed Remarketing, on or after February 16, 2007, for each Debt Security, the product of the principal amount of such Debt Security and a fraction whose numerator is the Special Event Treasury Portfolio Purchase Price and whose denominator is the sum of the aggregate principal amount of the Debt Securities outstanding on the Special Event Redemption Date, provided that, if the Debt Securities have been successfully remarketed, the Redemption Amount shall be the greater of the foregoing and the Adjusted Remarketing Price.

"Redemption Price" means an amount per Debt Security equal to the Redemption Amount plus accrued and unpaid interest, if any, to the date of redemption.

"Reference Dividend" has the meaning specified in Section 5.6(a)(5).

"Reference Price" has the meaning specified in Section 5.1.

"Register" means the Income PRIDES Register and the Growth PRIDES Register.

"Registrar" means the Income PRIDES Registrar and the Growth PRIDES Registrar.

"Remarketing Agent" means Merrill Lynch, Pierce, Fenner & Smith Incorporated or such other Remarketing Agent as the Company shall select from time to time.

"Remarketing Agreement" means a Remarketing Agreement contemplated by Section 5.4 by and among the Company, the Remarketing Agent and the Purchase Contract Agent, including any supplements or amendments thereto.

"Remarketing Announcement Date" means the fourth Business Day immediately preceding the first Remarketing Date occurring in a Three-Day Remarketing Period.

"Remarketing Date(s)" means one or more Business Days during the period beginning on the third Business Day immediately preceding August 16, 2006 and ending on the third Business Day immediately preceding February 16, 2007 selected by the Company as a date on which the

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Remarketing Agent shall, in accordance with the terms of the Remarketing Agreement, remarket the Debt Securities.

"Remarketing Fee" means (i) in connection with a successful remarketing during the Period For Early Remarketing, 25 basis points (0.25%) of the Remarketing Treasury Portfolio Purchase Price plus the Separate Debt Securities Purchase Price or (ii) in connection with a successful remarketing during the Final Three-Day Remarketing Period, 25 basis points (0.25%) of the aggregate principal amount of the remarketed Debt Securities, in each case, if the maturity date of the remarketed Debt Securities is February 16, 2009, or, if the maturity date of the Debt Securities is extended on the Reset Date to a date falling after February 16, 2009, such other amount as agreed between the Company and the Remarketing Agent.

"Remarketing Per Debt Security Price" means the Remarketing Treasury Portfolio Purchase Price divided by the aggregate principal amount of Debt Securities held as components of Income PRIDES and successfully remarketed on any Remarketing Date during the Period For Early Remarketing.

"Remarketing Price" means the price, expressed as a percentage of the principal amount of the Debt Securities, at which the Debt Securities were successfully remarketed.

"Remarketing Treasury Portfolio" means (i) interest or principal strips of U.S. Treasury Securities that mature on or prior to February 15, 2007 in an aggregate amount equal to the principal amount of the Debt Securities included in Income PRIDES, (ii) if the Reset Date occurs prior to November 16, 2006, with respect to the originally scheduled quarterly Interest Payment Date on the Debt Securities that would have occurred on November 16, 2006, interest or principal strips of U.S. Treasury Securities that mature on or prior to November 15, 2006 in an aggregate amount equal to the aggregate interest payment that would be due on November 16, 2006 on the principal amount of the Debt Securities that would have been included in Income PRIDES assuming that (A) the interest rate on the Debt Securities had not been reset to the Reset Rate and (B) interest on the Debt Securities accrued from the Reset Date to but excluding November 16, 2006, and (iii) if the Reset Date occurs prior to February 16, 2007, with respect to the originally scheduled quarterly Interest Payment Date on the Debt Securities that would have occurred on February 16, 2007, interest or principal strips of U.S. Treasury Securities that mature on or prior to February 15, 2007 in an aggregate amount equal to the aggregate interest payment that would be due on February 16, 2007 on the principal amount of the Debt Securities that would have been included in the Income PRIDES assuming that (A) the interest rate on the Debt Securities had not been reset to the Reset Rate and (B) that interest on the Debt Securities accrued from the later of the Reset Date and November 16, 2006 to but excluding February 16, 2007.

"Remarketing Treasury Portfolio Purchase Price" means, in connection with a remarketing during the Period For Early Remarketing, the lowest aggregate price quoted by a Primary Treasury Dealer to the Quotation Agent on the third Business Day immediately preceding the Reset Date for the purchase of the Remarketing Treasury Portfolio for settlement on the Reset Date.

"Reorganization Event" has the meaning specified in Section 5.6(b).

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"Reset Date" means, (i) in connection with a successful remarketing of the Debt Securities during the Period For Early Remarketing, the third Business Day immediately following the Remarketing Date on which the Debt Securities are successfully remarketed and, (ii) in connection with a successful remarketing of the Debt Securities on any of the Remarketing Dates during the Final Three-Day Remarketing Period, February 16, 2007.

"Reset Rate" means the Coupon Rate to be in effect for the Debt Securities on and after the Reset Date.

"Responsible Officer," when used with respect to the Agent, means any Vice President, Assistant Vice President, Trust Officers or other officer of the Agent assigned by the Agent to the Corporate Trust Administration Division of the Agent (or any successor division or department of the Agent).

"Security" means an Income PRIDES or a Growth PRIDES.

"Senior Indebtedness" means indebtedness of any kind of the Company (including the Debt Securities) unless the instrument under which such indebtedness is incurred expressly provides that it is in parity or subordinate in right of payment to the Contract Adjustment Payments.

"Separate Debt Securities" means Debt Securities which are no longer components of Income PRIDES.

"Separate Debt Securities Purchase Price" means the amount in cash equal to the product of the Remarketing Per Debt Security Price multiplied by the number of Separate Debt Securities remarketed in a successful remarketing during the Period For Early Remarketing.

"Settlement Rate" has the meaning specified in Section 5.1.

"Special Event" means either a Tax Event or an Accounting Event.

"Stated Amount" means \$25, which is equal to the stated amount of an Income PRIDES and the stated amount of a Growth PRIDES.

"Special Event Redemption" means, if a Special Event shall occur and be continuing, the redemption of Debt Securities, in whole but not in part, at the option of the Company on not less than 30 days nor more than 60 days notice.

"Special Event Redemption Date" means the date on which a Special Event Redemption is to occur.

"Special Event Treasury Portfolio" means (a) if the Special Event Redemption occurs prior to the earlier of the Reset Date and February 16, 2007 (i) interest or principal strips of U.S. Treasury Securities that mature on or prior to February 15, 2007 in an aggregate amount equal to the principal amount of Debt Securities included in the Income PRIDES, and (ii) with respect to each scheduled Interest Payment Date on the Debt Securities that occurs after the Special Event Redemption and on or prior to February 16, 2007, interest or principal strips of U.S. Treasury

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Securities which mature on or prior to that Interest Payment Date in an aggregate amount equal to the aggregate interest payment that would be due on the aggregate principal amount of the Debt Securities included in the Income PRIDES on that date assuming that interest accrued from the Special Event Redemption Date; or (b) if the Special Event Redemption occurs on or after the Reset Date or, if there is a Failed Remarketing, on or after February 16, 2007 (i) interest or principal strips of U.S. Treasury Securities that mature on or prior to February 15, 2009 (or, if the maturity date of the Debt Securities is extended to a later date, on or prior to such later maturity date) in an aggregate amount equal to the principal amount of Debt Securities outstanding, and (ii) with respect to each scheduled Interest Payment Date on the Debt Securities that occurs after the Special Event Redemption and on or before February 16, 2009 (or, if the maturity date of the Debt Securities is extended to a later date, on or prior to such later maturity date), interest or principal strips of U.S. Treasury Securities which mature on or prior to that Interest Payment Date in an aggregate amount equal to the aggregate interest payment that would be due on the aggregate principal amount of the Debt Securities outstanding on that date, assuming that interest accrued from the Special Event Redemption Date.

"Special Event Treasury Portfolio Purchase Price" means the lowest aggregate price quoted by the Primary Treasury Dealer to the Quotation Agent on the third Business Day immediately preceding the Special Event Redemption Date for the purchase of the Special Event Treasury Portfolio for settlement on the Special Event Redemption Date.

"Tax Event" means the receipt by the Company of an opinion of a nationally recognized independent tax counsel experienced in such matters to the effect (which may include Skadden, Arps, Slate, Meagher & Flom LLP) to the effect that, as a result of (a) any amendment to, change in, or announced proposed change in, the laws (or any regulations thereunder) of the United States or any political subdivision or taxing authority thereof or therein affecting taxation, (b) any amendment to or change in an interpretation or application of any such laws or regulations by any legislative body, court, governmental agency or regulatory authority or (c) any interpretation or pronouncement that provides for a position with respect to any such laws or regulations that differs from the generally accepted position on \_\_\_\_, 2004, which amendment, change or proposed change is effective or which interpretation or pronouncement is announced on or after \_\_\_\_, 2004, there is more than an insubstantial risk that interest payable by the Company on the Debt Securities would not be deductible, in whole or in part, by the Company for United States federal income tax purposes.

"Termination Date" means the date, if any, on which a Termination Event occurs.

"Termination Event" means the occurrence of any of the following events: (i) at any time on or prior to the Purchase Contract Settlement Date, a judgment, decree or court order shall have been entered granting relief under the Bankruptcy Code, adjudicating the Company to be insolvent, or approving as properly filed a petition seeking reorganization or liquidation of the Company or any other similar applicable Federal or State law, and, unless such judgment, decree or order shall have been entered within 60 days prior to the Purchase Contract Settlement Date, such decree or order shall have continued undischarged and unstayed for a period of 60 days; or (ii) at any time on or prior to the Purchase Contract Settlement Date, a judgment, decree or court order for the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of the Company or of its property, or for the winding up or liquidation of its affairs,

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shall have been entered, and, unless such judgment, decree or order shall have been entered within 60 days prior to the Purchase Contract Settlement Date, such judgment, decree or order shall have continued undischarged and unstayed for a period of 60 days; or (iii) at any time on or prior to the Purchase Contract Settlement Date, the Company shall file a petition for relief under the Bankruptcy Code, or shall consent to the filing of a bankruptcy proceeding against it, or shall file a petition or answer or consent seeking reorganization or liquidation under the Bankruptcy Code or any other similar applicable Federal or State law, or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of it or of its property, or shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due.

"Three-Day Remarketing Period" means a period beginning on and including the first of three sequential Remarketing Dates and ending on and including the third of such sequential Remarketing Dates during which the Debt Securities will be remarketed in accordance with the provisions of the Remarketing Agreement.

"Threshold Appreciation Price" has the meaning specified in Section 5.1.

"TIA" means, as of any time, the Trust Indenture Act of 1939, as amended, or any successor statute, as in effect at such time.

"Trading Day" has the meaning specified in Section 5.1.

"Treasury Portfolio" means, as applicable, the Remarketing Treasury Portfolio or a Special Event Treasury Portfolio.

"Treasury Portfolio Purchase Price" means, as applicable, the Remarketing Treasury Portfolio Purchase Price or the Special Event Treasury Portfolio Purchase Price.

"Treasury Security" means a zero-coupon U.S. Treasury security having a principal amount at maturity equal to \$1,000 and maturing on February 15, 2007 (CUSIP No. 12833CR9).

"Underwriting Agreement" means the Underwriting Agreement, dated \_\_\_\_, 2004, relating to the Income PRIDES between the Company and Merrill Lynch, Pierce, Fenner & Smith Incorporated.

"Vice President" means any vice president, whether or not designated by a number or a word or words added before or after the title "vice president."

Except as otherwise expressly provided by this Agreement, upon any application or request by the Company to the Agent to take any action under any provision of this Agreement, the Company shall furnish to the Agent a Company Certificate stating that in the opinion of the Authorized Officer signing such Company Certificate all conditions precedent, if any, provided for in this Agreement relating to the proposed action have been complied with and an Opinion of Counsel stating that, in the opinion of such counsel, all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the

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furnishing of such documents is specifically required by any provision of this Agreement relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Agreement 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 or she has made such examination or investigation as is necessary to enable such individual 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.

### SECTION 1.3 FORM OF DOCUMENTS DELIVERED TO AGENT.

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 more documents.

Any certificate or opinion of an officer of the Company may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which such 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 or opinion of, or representations by, an officer or officers of the Company stating that the information with respect to such factual matters is in the possession of the Company unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion 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 Agreement, they may, but need not, be consolidated and form one instrument.

### SECTION 1.4 ACTS OF HOLDERS; RECORD DATES.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Agreement to be given 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 Agent and, where it is hereby expressly required, to the Company. 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 Agreement and (subject to Section 7.1) conclusive in favor of the Agent and the Company, if made in the manner provided in this Section.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved in any manner which the Agent deems sufficient.

(c) The ownership of Securities shall be proved by the Income PRIDES Register or the Growth PRIDES Register, as the case may be.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other Act of the Holder of any Certificate shall bind every future Holder of the same Certificate and the Holder of every Certificate 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 Agent or the Company in reliance thereon, whether or not notation of such action is made upon such Certificate.

(e) The Company may set any day as a record date for the purpose of determining the Holders of Outstanding Securities entitled to give, make or take any request, demand, authorization, direction, notice, consent, waiver or other action provided or permitted by this Agreement to be given, made or taken by Holders of Securities. If any record date is set pursuant to this paragraph, the Holders of the Outstanding Income PRIDES and the Outstanding Growth PRIDES, as the case may be, on such record date, and no other Holders, shall be entitled to take the relevant action with respect to the Income PRIDES or the Growth PRIDES, as the case may be, 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 number of Outstanding Securities 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 number of Outstanding Securities 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 Agent in writing and to each Holder of Securities in the manner set forth in Section 1.6.

With respect to any record date set pursuant to this Section, the Company may designate any date as the "Expiration Date" and from time to time may change the Expiration Date to any

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earlier or later day; provided that no such change shall be effective unless notice of the proposed new Expiration Date is given to the Agent in writing, and to each Holder of Securities in the manner set forth in Section 1.6, 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 Company 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.

#### SECTION 1.5 NOTICES.

Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other document provided or permitted by this Agreement to be made upon, given or furnished to, or filed with,

(1) the Agent by any Holder or by the Company shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if made, given, furnished or filed in writing and personally delivered or mailed, first-class postage prepaid or facsimile, followed by telephone confirmation, to the Agent at \_\_\_\_\_, Facsimile: \_\_\_\_\_, Attn: \_\_\_\_\_, or at any other address previously furnished in writing by the Agent to the Holders and the Company;

(2) the Company by the Agent or by any Holder shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if made, given, furnished or filed in writing and personally delivered or mailed, first-class postage prepaid or facsimile, followed by telephone confirmation, to the Company at Great Plains Energy Incorporated, 1201 Walnut Street, Kansas City, Missouri 64106-2124, Facsimile: (816) 556-2418, Attention: Andrea F. Bielsker, Senior Vice President - Finance, Chief Financial Officer and Treasurer, with a copy to Jeanie Sell Latz, Esq., Executive Vice President - Corporate and Shared Services and Secretary, or at any other address previously furnished in writing to the Agent by the Company;

(3) the Collateral Agent by the Agent, the Company or any Holder shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if made, given, furnished or filed in writing and personally delivered or mailed, first-class postage prepaid or facsimile, followed by telephone confirmations, addressed to the Collateral Agent at \_\_\_\_\_, \_\_\_\_\_, Facsimile: \_\_\_\_\_, Attn: \_\_\_\_\_, or at any other address previously furnished in writing by the Collateral Agent to the Agent, the Company and the Holders; or

(4) the Indenture Trustee by the Company shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if made, given, furnished or filed in writing and personally delivered or mailed, first-class postage prepaid or facsimile, followed by telephone confirmations, addressed to the Indenture Trustee at BNY Midwest Trust Company, \_\_\_\_\_, Facsimile: \_\_\_\_\_, Attn: \_\_\_\_\_, or at any other address previously furnished in writing by the Indenture Trustee to the Company.

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#### SECTION 1.6 NOTICE TO HOLDERS; WAIVER.

Where this Agreement 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 its address as it appears in the applicable Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where notice to Holders 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 Agreement 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 Agent, 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 Agent shall constitute a sufficient notification for every purpose hereunder.

#### SECTION 1.7 EFFECT OF HEADINGS AND TABLE OF CONTENTS.

The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

#### SECTION 1.8 SUCCESSORS AND ASSIGNS.

All covenants and agreements in this Agreement by the Company shall bind its successors and assigns, whether so expressed or not.

#### SECTION 1.9 SEPARABILITY CLAUSE.

In case any provision in this Agreement or in the Securities shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof and thereof shall not in any way be affected or impaired thereby.

#### SECTION 1.10 BENEFITS OF AGREEMENT.

Nothing in this Agreement or in the Securities, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder and, to the extent provided hereby, the Holders, any benefits or any legal or equitable right, remedy or claim under this Agreement. The Holders from time to time shall be beneficiaries of this Agreement and shall be bound by all of the terms and conditions hereof and of the Securities evidenced by their Certificates by their acceptance of delivery of such Certificates.

#### SECTION 1.11 GOVERNING LAW.

THIS AGREEMENT AND THE SECURITIES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

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#### SECTION 1.12 LEGAL HOLIDAYS.

In any case where any Payment Date shall not be a Business Day, then (notwithstanding any other provision of this Agreement or the Income PRIDES Certificates or the Growth PRIDES Certificates) payment of the Contract Adjustment Payments, if any, shall not be made on such date, but such payments shall be made on the next succeeding Business Day with the same force and effect as if made on such

Payment Date, and no interest shall accrue or be payable by the Company or any Holder for the period from and after any such Payment Date, except that, if such next succeeding Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day with the same force and effect as if made on such Payment Date.

In any case where the Purchase Contract Settlement Date shall not be a Business Day, then (notwithstanding any other provision of this Agreement, the Income PRIDES Certificates or the Growth PRIDES Certificates), the Purchase Contracts shall not be performed on such date, but the Purchase Contracts shall be performed on the immediately following Business Day with the same force and effect as if performed on the Purchase Contract Settlement Date.

#### SECTION 1.13 COUNTERPARTS.

This Agreement may be executed in any number of counterparts by the parties hereto on separate counterparts, each of which, when so executed and delivered, shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

#### SECTION 1.14 INSPECTION OF AGREEMENT.

A copy of this Agreement shall be available at all reasonable times during normal business hours at the Corporate Trust Office for inspection by any Holder.

### ARTICLE II

#### CERTIFICATE FORMS

##### SECTION 2.1 FORMS OF CERTIFICATES GENERALLY.

The Income PRIDES Certificates (including the form of Purchase Contract forming part of the Income PRIDES evidenced thereby) shall be in substantially the form set forth in Exhibit A hereto, with such letters, numbers or other marks of identification or designation and such legends or endorsements printed, lithographed or engraved thereon as may be required by the rules of any securities exchange on which the Income PRIDES are listed or any depository therefor, or as may, consistently herewith, be determined by the officers of the Company executing such Income PRIDES Certificates, as evidenced by their execution of the Income PRIDES Certificates.

The definitive Income PRIDES Certificates shall be printed, lithographed or engraved on steel engraved borders or may be produced in any other manner, all as determined by the officers of the Company executing the Income PRIDES evidenced by such Income PRIDES Certificates, consistent with the provisions of this Agreement, as evidenced by their execution thereof.

The Growth PRIDES Certificates (including the form of Purchase Contracts forming part of the Growth PRIDES evidenced thereby) shall be in substantially the form set forth in Exhibit B hereto, with such letters, numbers or other marks of identification or designation and such legends or endorsements printed, lithographed or engraved thereon as may be required by the rules of any securities exchange on which the Growth PRIDES may be listed or any depository therefor, or as may, consistently herewith, be determined by the officers of the Company executing such Growth PRIDES Certificates, as evidenced by their execution of the Growth PRIDES Certificates.

The definitive Growth PRIDES Certificates shall be printed, lithographed or engraved on steel engraved borders or may be produced in any other manner, all as determined by the officers of the Company executing the Growth PRIDES evidenced by such Growth PRIDES Certificates, consistent with the provisions of this Agreement, as evidenced by their execution thereof.

Every Global Certificate authenticated, executed on behalf of the Holders and delivered hereunder shall bear a legend in substantially the following form:

THIS CERTIFICATE IS A GLOBAL CERTIFICATE WITHIN THE MEANING OF THE PURCHASE CONTRACT AGREEMENT (AS HEREINAFTER DEFINED) AND IS REGISTERED IN THE NAME OF THE CLEARING AGENCY OR A NOMINEE THEREOF. THIS CERTIFICATE MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A CERTIFICATE REGISTERED, AND NO TRANSFER OF THIS CERTIFICATE IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH CLEARING AGENCY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE PURCHASE CONTRACT AGREEMENT.

##### SECTION 2.2 FORM OF AGENT'S CERTIFICATE OF AUTHENTICATION.

The form of the Agent's certificate of authentication of the Income PRIDES shall be in substantially the form set forth on the form of the Income PRIDES Certificates set forth as Exhibit A hereto.

The form of the Agent's certificate of authentication of the Growth PRIDES shall be in substantially the form set forth on the form of the Growth PRIDES Certificates set forth as Exhibit B hereto.

### ARTICLE III

#### THE SECURITIES

##### SECTION 3.1 TITLE AND TERMS; DENOMINATIONS.

The aggregate number of Income PRIDES and Growth PRIDES evidenced by Certificates authenticated, executed on behalf of the Holders and delivered hereunder is limited to \_\_\_\_\_ units (or \_\_\_\_\_ if the overallotment option provided for in the Underwriting Agreement is exercised in full) except for Certificates authenticated, executed and delivered upon registration of transfer of, in exchange for, or in lieu of, other Certificates pursuant to Section 3.4, 3.5, 3.10, 3.12, 3.13, 5.9 or 8.5.

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The Certificates shall be issuable only in fully-registered form and only in denominations of a single Income PRIDES or Growth PRIDES and any integral multiple thereof.

### SECTION 3.2 RIGHTS AND OBLIGATIONS EVIDENCED BY THE CERTIFICATES.

Each Income PRIDES Certificate shall evidence the number of Income PRIDES specified therein, with each such Income PRIDES representing (i) the ownership by the Holder thereof of (A) a 1/40, or 2.5%, undivided beneficial interest in \$1,000 aggregate principal amount of Debt Securities or (B)(1) the Applicable Ownership Interest in the appropriate Treasury Portfolio, and (2) following a successful remarketing of the Debt Securities during the Period For Early Remarketing if the Reset Date occurs on a date that is not also a Payment Date, prior to the Payment Date next following the Reset Date, the right to receive the interest accrued on a 1/40, or 2.5%, undivided beneficial ownership interest in \$1,000 principal amount of Debt Securities from and including the Payment Date immediately preceding the Reset Date to but excluding the Reset Date, subject, in each case, to the Pledge of the interest in such aggregate principal amount of Debt Securities or such Applicable Ownership Interest in the appropriate Treasury Portfolio, as the case may be, by such Holder pursuant to the Pledge Agreement and (ii) the rights and obligations of the Holder thereof and the Company under one Purchase Contract. The Agent, as attorney-in-fact for, and on behalf of, the Holder of each Income PRIDES shall pledge, pursuant to the Pledge Agreement, each Debt Security or the Applicable Ownership Interest in the appropriate Treasury Portfolio, as the case may be, forming a part of such Income PRIDES, to the Collateral Agent and grant to the Collateral Agent a security interest in the right, title, and interest of such Holder in such Debt Security or Applicable Ownership Interest in the appropriate Treasury Portfolio, as the case may be, for the benefit of the Company, to secure the obligation of the Holder under one Purchase Contract to purchase the Common Stock of the Company.

Each Growth PRIDES Certificate shall evidence the number of Growth PRIDES specified therein, with each such Growth PRIDES representing (i) the ownership by the Holder thereof of a 1/40, or 2.5%, undivided beneficial interest in a Treasury Security, subject to the Pledge of such Treasury Security by such Holder pursuant to the Pledge Agreement, and (ii) the rights and obligations of the Holder thereof and the Company under one Purchase Contract. The Agent, as attorney-in-fact for, and on behalf of, the Holder of each Growth PRIDES shall pledge, pursuant to the Pledge Agreement, each Treasury Security forming a part of such Growth PRIDES, to the Collateral Agent and grant to the Collateral Agent a security interest in the right, title, and interest of such Holder in such Treasury Security for the benefit of the Company, to secure the obligation of the Holder under one Purchase Contract to purchase the Common Stock of the Company.

### SECTION 3.3 EXECUTION, AUTHENTICATION, DELIVERY AND DATING.

Subject to the provisions of Sections 3.13 and 3.14 hereof, upon the execution and delivery of this Agreement, and at any time and from time to time thereafter, the Company may deliver Certificates executed by the Company to the Agent for authentication, execution on behalf of the Holders and delivery, together with its Issuer Order for authentication of such Certificates, and the Agent in accordance with such Issuer Order shall authenticate, execute on behalf of the Holders and deliver such Certificates.

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The Certificates shall be executed on behalf of the Company by its Chairman of the Board, its President, one of its Vice Presidents, its Treasurer, one of its Assistant Treasurers, its Secretary or one of its Assistant Secretaries. The signature of any of these officers on the Certificates may be manual or facsimile.

Certificates bearing the manual or facsimile signatures of individuals who were at the time of execution 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 Certificates or did not hold such offices at the date of such Certificates.

No Purchase Contract evidenced by a Certificate shall be valid until such Certificate has been executed on behalf of the Holder by the manual signature of an authorized signatory of the Agent, as such Holder's attorney-in-fact. Such signature by an authorized signatory of the Agent shall be conclusive evidence that the Holder of such Certificate has entered into the Purchase Contracts evidenced by such Certificate.

Each Certificate shall be dated the date of its authentication.

No Certificate shall be entitled to any benefit under this Agreement or be valid or obligatory for any purpose unless there appears on such Certificate a certificate of authentication substantially in the form provided for herein executed by an authorized signatory of the Agent by manual signature, and such certificate upon any Certificate shall be conclusive evidence, and the only evidence, that such Certificate has been duly authenticated and delivered hereunder.

### SECTION 3.4 TEMPORARY CERTIFICATES.



Pending the preparation of definitive Certificates, the Company shall execute and deliver to the Agent, and the Agent shall authenticate, execute on behalf of the Holders, and deliver, in lieu of such definitive Certificates, temporary Certificates which are in substantially the forms set forth in Exhibit A and Exhibit B hereto, with such letters, numbers or other marks of identification or designation and such legends or endorsements printed, lithographed or engraved thereon as may be required by the rules of any securities exchange on which the Income PRIDES or Growth PRIDES are listed, or as may, consistently herewith, be determined by the officers of the Company executing such Certificates, as evidenced by their execution of the Certificates.

If temporary Certificates are issued, the Company will cause definitive Certificates to be prepared without unreasonable delay. After the preparation of definitive Certificates, the temporary Certificates shall be exchangeable for definitive Certificates upon surrender of the temporary Certificates at the Corporate Trust Office, at the expense of the Company and without charge to the Holder. Upon surrender for cancellation of any one or more temporary Certificates, the Company shall execute and deliver to the Agent, and the Agent shall authenticate, execute on behalf of the Holder, and deliver in exchange therefor, one or more definitive Certificates of like tenor and denominations and evidencing a like number of Income PRIDES or Growth PRIDES, as the case may be, as the temporary Certificate or Certificates so surrendered. Until so exchanged, the temporary Certificates shall in all respects evidence the same benefits and the same obligations with respect to the Income PRIDES or Growth PRIDES, as the case may be, evidenced thereby as definitive Certificates.

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### SECTION 3.5 REGISTRATION; REGISTRATION OF TRANSFER AND EXCHANGE.

The Agent shall keep at the Corporate Trust Office a register (the "Income PRIDES Register") in which, subject to such reasonable regulations as it may prescribe, the Agent shall provide for the registration of Income PRIDES Certificates and of transfers of Income PRIDES Certificates (the Agent, in such capacity, the "Income PRIDES Registrar") and a register (the "Growth PRIDES Register") in which, subject to such reasonable regulations as it may prescribe, the Agent shall provide for the registration of the Growth PRIDES Certificates and of transfers of Growth PRIDES Certificates (the Agent, in such capacity, the "Growth PRIDES Registrar").

Upon surrender for registration of transfer of any Certificate at the Corporate Trust Office, the Company shall execute and deliver to the Agent, and the Agent shall authenticate, execute on behalf of the designated transferee or transferees, and deliver, in the name of the designated transferee or transferees, one or more new Certificates of any authorized denominations, like tenor, and evidencing a like number of Income PRIDES or Growth PRIDES as the case may be.

At the option of the Holder, Certificates may be exchanged for other Certificates, of any authorized denominations and evidencing a like number of Income PRIDES or Growth PRIDES, as the case may be, upon surrender of the Certificates to be exchanged at the Corporate Trust Office. Whenever any Certificates are so surrendered for exchange, the Company shall execute and deliver to the Agent, and the Agent shall authenticate, execute on behalf of the Holder, and deliver the Certificates which the Holder making the exchange is entitled to receive.

All Certificates issued upon any registration of transfer or exchange of a Certificate shall evidence the ownership of the same number of Income PRIDES or Growth PRIDES, as the case may be, and be entitled to the same benefits and subject to the same obligations, under this Agreement as the Income PRIDES or Growth PRIDES, as the case may be, evidenced by the Certificate surrendered upon such registration of transfer or exchange.

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

No service charge shall be made for any registration of transfer or exchange of a Certificate, but the Company and the Agent may require payment from the Holder 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 Certificates, other than any exchanges pursuant to Sections 3.6 and 8.5 not involving any transfer.

Notwithstanding the foregoing, the Company will not be obligated to execute and deliver to the Agent, and the Agent will not be obligated to authenticate, execute on behalf of the Holder and deliver any Certificate presented or surrendered for registration of transfer or for exchange on or after the Business Day immediately preceding the Purchase Contract Settlement Date or on or after the Termination Date. In lieu of delivery of a new Certificate, upon satisfaction of the applicable conditions specified above in this Section and receipt of appropriate registration or

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transfer instructions from such Holder, the Agent shall (i) if the Purchase Contract Settlement Date has occurred, deliver the shares of Common Stock issuable in respect of the Purchase Contracts forming a part of the Securities evidenced by such Certificate, (ii) in the case of Income PRIDES, if a Termination Event shall have occurred prior to the Purchase Contract Settlement Date, transfer the aggregate principal amount of the Debt Securities or the aggregate Stated Amount of the appropriate Treasury Portfolio, as applicable, evidenced thereby, or (iii) in the case of Growth PRIDES, if a Termination Event shall have occurred prior to the Purchase Contract Settlement Date, transfer the Treasury Securities evidenced thereby, in each case subject to the applicable conditions and in accordance with the applicable provisions of Article V hereof.

### SECTION 3.6 BOOK-ENTRY INTERESTS.

The Certificates, on original issuance, will be issued in the form of one or more fully registered Global Certificates, to be delivered to the Depository or a nominee or custodian thereof by, or on behalf of, the Company. Such Global Certificates shall initially be registered on the books and records of the Company in the name of Cede & Co., the nominee of the Depository, and no Beneficial Owner will receive a definitive Certificate representing such Beneficial Owner's interest in such Global Certificate, except as provided in Section 3.9. The Agent shall enter into an agreement with the Depository if so requested by the Company. Unless and until definitive, fully registered Certificates have been issued to Beneficial Owners pursuant to Section 3.9:

(a) the provisions of this Section 3.6 shall be in full force and effect;

(b) the Company shall be entitled to deal with the Clearing Agency for all purposes of this Agreement (including the payment of Contract Adjustment Payments, if any, and receiving approvals, votes or consents hereunder) as the Holder of the Securities and the sole holder of the Global Certificate(s) and shall have no obligation to the Beneficial Owners;

(c) to the extent that the provisions of this Section 3.6 conflict with any other provisions of this Agreement, the provisions of this Section 3.6 shall control; and

(d) the rights of the Beneficial Owners shall be exercised only through the Clearing Agency and shall be limited to those established by law and agreements between such Beneficial Owners and the Clearing Agency and/or the Clearing Agency Participants. The Clearing Agency will make book entry transfers among Clearing Agency Participants and receive and transmit payments of Contract Adjustment Payments to such Clearing Agency Participants.

### SECTION 3.7 NOTICES TO HOLDERS.

Whenever a notice or other communication to the Holders is required to be given under this Agreement, the Company or the Company's agent shall give such notices and communications to the Holders and, with respect to any Certificates registered in the name of a Clearing Agency or the nominee of a Clearing Agency, the Company or the Company's agent shall, except as set forth herein, have no obligations to the Beneficial Owners.

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### SECTION 3.8 APPOINTMENT OF SUCCESSOR CLEARING AGENCY.

If any Clearing Agency elects to discontinue its services as securities depository with respect to the Securities, the Company may, in its sole discretion, appoint a successor Clearing Agency with respect to the Securities.

### SECTION 3.9 DEFINITIVE CERTIFICATES.

If a Clearing Agency elects to discontinue its services as securities depository with respect to the Securities and a successor Clearing Agency is not appointed within 90 days after such discontinuance pursuant to Section 3.8, then upon surrender of the Global Certificates representing the Book-Entry Interests with respect to the Securities by the Clearing Agency, accompanied by registration instructions, the Company shall cause definitive Certificates to be delivered to Beneficial Owners in accordance with the instructions of the Clearing Agency. The Company shall not be liable for any delay in delivery of such instructions and may conclusively rely on and shall be protected in relying on, such instructions.

### SECTION 3.10 MUTILATED, DESTROYED, LOST AND STOLEN CERTIFICATES.

If any mutilated Certificate is surrendered to the Agent, the Company shall execute and deliver to the Agent, and the Agent shall authenticate, execute on behalf of the Holder, and deliver in exchange therefor, a new Certificate at the cost of the Holder, evidencing the same number of Income PRIDES or Growth PRIDES, as the case may be, and bearing a Certificate number not contemporaneously outstanding.

If there shall be delivered to the Company and the Agent (i) evidence to their satisfaction of the destruction, loss or theft of any Certificate, and (ii) such security or indemnity at the cost of the Holder as may be required by them to hold each of them and any agent of either of them harmless, then, in the absence of notice to the Company or the Agent that such Certificate has been acquired by a bona fide purchaser, the Company shall execute and deliver to the Agent, and the Agent shall authenticate, execute on behalf of the Holder, and deliver to the Holder, in lieu of any such destroyed, lost or stolen Certificate, a new Certificate, evidencing the same number of Income PRIDES or Growth PRIDES, as the case may be, and bearing a Certificate number not contemporaneously outstanding.

Notwithstanding the foregoing, the Company will not be obligated to execute and deliver to the Agent, and the Agent will not be obligated to authenticate, execute on behalf of the Holder and deliver any Certificate on or after the Business Day immediately preceding the Purchase Contract Settlement Date or on or after the Termination Date. In addition, in lieu of delivery of a new Certificate, upon satisfaction of the applicable conditions specified above in this Section and receipt of appropriate registration or transfer instructions from such Holder, the Agent may (i) if the Purchase Contract Settlement Date has occurred, deliver the shares of Common Stock issuable in respect of the Purchase Contracts forming a part of the Securities evidenced by such Certificate, or (ii) if a Termination Event shall have occurred, transfer the Debt Securities, the Applicable Ownership Interest in the appropriate Treasury Portfolio or the Treasury Securities, as the case may be, forming a part of the Securities represented by such Certificate to such

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Holder, in each case subject to the applicable conditions and in accordance with the applicable provisions of Article Five hereof.

Upon the issuance of any new Certificate under this Section, the Company and the Agent may require payment from the Holder 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 Agent) connected therewith.

Every new Certificate issued pursuant to this Section in lieu of any destroyed, lost or stolen Certificate shall constitute an original additional contractual obligation of the Company and of the Holder in respect of the Security evidenced thereby, whether or not the destroyed, lost or stolen Certificate (and the Securities evidenced thereby) shall be at any time enforceable by anyone, and shall be entitled to all the benefits and be subject to all the obligations of this Agreement equally and proportionately with any and all other Certificates delivered 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 Certificates.

#### SECTION 3.11 PERSONS DEEMED OWNERS.

Prior to due presentment of a Certificate for registration of transfer, the Company and the Agent, and any agent of the Company or the Agent, may treat the Person in whose name such Certificate is registered on the Income PRIDES Register or the Growth PRIDES Register, as applicable, as the owner of the Income PRIDES or Growth PRIDES evidenced thereby, for the purpose of receiving interest on the Debt Securities or distributions on the maturing quarterly interest strips of the appropriate Treasury Portfolio, as applicable, receiving payments of Contract Adjustment Payments, performance of the Purchase Contracts and for all other purposes whatsoever, whether or not any interest on the Debt Securities or the Contract Adjustment Payments payable in respect of the Purchase Contracts constituting a part of the Income PRIDES or Growth PRIDES evidenced thereby shall be overdue and notwithstanding any notice to the contrary, and neither the Company nor the Agent, nor any agent of the Company or the Agent, shall be affected by notice to the contrary.

Notwithstanding the foregoing, with respect to any Global Certificate, nothing herein shall prevent the Company, the Agent or any agent of the Company or the Agent, from treating the Clearing Agency as the sole Holder of such Global Certificate or from giving effect to any written certification, proxy or other authorization furnished by any Clearing Agency (or its nominee), as a Holder, with respect to such Global Certificate or impair, as between such Clearing Agency and owners of beneficial interests in such Global Certificate, the operation of customary practices governing the exercise of rights of such Clearing Agency (or its nominee) as Holder of such Global Certificate.

#### SECTION 3.12 CANCELLATION.

All Certificates surrendered for delivery of shares of Common Stock on or after the Purchase Contract Settlement Date, upon the transfer of Debt Securities, the Applicable Ownership Interest in the appropriate Treasury Portfolio or Treasury Securities, as the case may

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be, after the occurrence of a Termination Event or pursuant to an Early Settlement or Cash Merger Early Settlement, or upon the registration of a transfer or exchange of a Security, or a Collateral Substitution or the re-establishment of an Income PRIDES shall, if surrendered to any Person other than the Agent, be delivered to the Agent and, if not already cancelled, shall be promptly cancelled by it. The Company may at any time deliver to the Agent for cancellation any Certificates previously authenticated, executed and delivered hereunder which the Company may have acquired in any manner whatsoever, and all Certificates so delivered shall, upon Issuer Order, be promptly cancelled by the Agent. No Certificates shall be authenticated, executed on behalf of the Holder and delivered in lieu of or in exchange for any Certificates cancelled as provided in this Section, except as expressly permitted by this Agreement. All cancelled Certificates held by the Agent shall upon written request be returned to the Company.

If the Company or any Affiliate of the Company shall acquire any Certificate, such acquisition shall not operate as a cancellation of such Certificate unless and until such Certificate is delivered to the Agent cancelled or for cancellation.

#### SECTION 3.13 ESTABLISHMENT OR REESTABLISHMENT OF GROWTH PRIDES.

Subject to the last sentence of this paragraph, a Holder of an Income PRIDES may, at any time on or prior to the seventh Business Day immediately preceding the Purchase Contract Settlement Date, create or recreate a Growth PRIDES and separate the Debt Security or the Applicable Ownership Interest in the appropriate Treasury Portfolio, as applicable, from the related Purchase Contract in respect of such Income PRIDES by substituting a Treasury Security for all, but not less than all, the Debt Securities, or the Applicable Ownership Interest in

the appropriate Treasury Portfolio, that form a part of such Income PRIDES in accordance with this Section 3.13; provided, however, that if a successful remarketing of the Debt Securities has occurred on a Remarketing Date or a Special Event Redemption has occurred, Holders of such Income PRIDES may make such Collateral Substitutions at any time on or prior to the second Business Day immediately preceding the Purchase Contract Settlement Date. Holders may make Collateral Substitutions and establish Growth PRIDES (i) only in integral multiples of 40 Income PRIDES if only Debt Securities are being substituted by Treasury Securities, or (ii) only in integral multiples of \_\_\_\_\_ Income PRIDES (or such other number of Income PRIDES as may be determined by the Remarketing Agent or the Quotation Agent following a successful remarketing of the Debt Securities or a Special Event Redemption, respectively, if the Reset Date or the Special Event Redemption Date, as the case may be, is not an Interest Payment Date) if the Applicable Ownership Interests in the appropriate Treasury Portfolio are being substituted by Treasury Securities. To create (x) 40 Growth PRIDES (if a Special Event Redemption or a successful remarketing of the Debt Securities has not occurred and the Debt Securities remain a component of the Income PRIDES), or (y) \_\_\_\_\_ Growth PRIDES or such other number of Growth PRIDES as may be determined by the Remarketing Agent or the Quotation Agent following a successful remarketing of the Debt Securities or a Special Event Redemption, respectively, if the Reset Date or the Special Event Redemption Date, as the case may be, is not an Interest Payment Date (if a Special Event Redemption Date has occurred or the Remarketing Treasury Portfolio has replaced the Debt Securities as a component of the Income PRIDES as a result of a successful remarketing of such Debt Securities), the Income PRIDES Holder shall

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(a) if a Treasury Portfolio has not replaced any Debt Securities as a component of Income PRIDES as a result of a successful remarketing of the Debt Securities or a Special Event Redemption, on or prior to the seventh Business Day immediately preceding the Purchase Contract Settlement Date, deposit with the Collateral Agent a Treasury Security having a principal amount at maturity of \$1,000 or

(b) if a Treasury Portfolio has replaced the Debt Securities as a component of Income PRIDES as a result of a successful remarketing of the Debt Securities or a Special Event Redemption, on or prior to the second Business Day immediately preceding the Purchase Contract Settlement Date, deposit with the Collateral Agent Treasury Securities having an aggregate principal amount at maturity of \$\_\_\_\_\_ (or \$25 multiplied by such number of Income PRIDES as may be determined by the Remarketing Agent or the Quotation Agent as described in clause (ii) above); and

(c) in each case, transfer and surrender the related 40 Income PRIDES, or, in the event a Treasury Portfolio is a component of Income PRIDES, \_\_\_\_\_ Income PRIDES (or such other number of Income PRIDES as may be determined by the Remarketing Agent or the Quotation Agent following a successful remarketing of the Debt Securities or a Special Event Redemption, respectively, if the Reset Date or the Special Event Redemption Date, as the case may be, is not an Interest Payment Date), to the Agent accompanied by a notice to the Agent, substantially in the form of Exhibit B to the Pledge Agreement, stating that the Holder has transferred the relevant types and amounts of Treasury Securities to the Collateral Agent and requesting that the Agent instruct the Collateral Agent to release the applicable Debt Securities or the Applicable Ownership Interest in the appropriate Treasury Portfolio, as the case may be, underlying such Income PRIDES, whereupon the Agent shall promptly give such instruction to the Collateral Agent, substantially in the form of Exhibit A to the Pledge Agreement.

Unless a successful remarketing of the Debt Securities or a Special Event Redemption has previously occurred, Holders of Income PRIDES shall not be permitted to effect Collateral Substitutions in accordance with the provisions of this Section 3.13 during the period commencing on and including the Business Day prior to the first of the three sequential Remarketing Dates comprising a Three-Day Remarketing Period and ending on and including the Reset Date relating to a successful remarketing or, if none of the remarketings during such Three-Day Remarketing Period is successful, the Business Day following the last of the three sequential Remarketing Dates occurring during such Three-Day Remarketing Period.

Upon receipt of the Treasury Securities described in clause (a) or (b) above and the instructions described in clause (c) above, in accordance with the terms of the Pledge Agreement, the Collateral Agent will release from the Pledge, to the Agent, on behalf of the Holder, Debt Securities or the Applicable Ownership Interest in the appropriate Treasury Portfolio, as the case may be, that had been components of such Income PRIDES, free and clear of the Company's security interest therein, and upon receipt thereof the Agent shall promptly:

(i) cancel the related Income PRIDES surrendered and transferred;

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(ii) transfer the Debt Securities or the Applicable Ownership Interest in the appropriate Treasury Portfolio, as the case may be, that had been components of such Income PRIDES to the Holder;

(iii) if the Growth PRIDES are established following a Reset Date which is not also a Payment Date but prior to the close of Business on the Record Date relating to the Payment Date next succeeding such Reset Date, pay to the Holder, in accordance with the provisions of the last sentence of Section 4.1, the interest accrued on the Debt Securities that had been components of such Income PRIDES from the Interest Payment Date preceding such Reset Date to but excluding such Reset Date; and

(iv) authenticate, execute on behalf of such Holder and deliver a Growth PRIDES Certificate executed by the Company in accordance with Section 3.3 evidencing the same number of Purchase Contracts as were evidenced by the cancelled Income PRIDES.

Holders who elect to separate the Debt Securities or the Applicable Ownership Interest in the appropriate Treasury Portfolio, as the case may be, from the related Purchase Contracts and to substitute Treasury Securities for such Debt Securities or the Applicable Ownership Interest in the appropriate Treasury Portfolio, as the case may be, shall be responsible for any fees or expenses payable to the Collateral Agent for its services as Collateral Agent in respect of the substitution, and the Company shall not be responsible for any such fees or expenses.

In the event a Holder making a Collateral Substitution pursuant to this Section 3.13 fails to effect a book-entry transfer of the Income PRIDES or fails to deliver an Income PRIDES Certificate to the Agent after depositing the appropriate Treasury Securities with the Collateral Agent, the Debt Securities or the Applicable Ownership Interest in the appropriate Treasury Portfolio, as the case may be, constituting a part of such Income PRIDES, and any interest on such Debt Securities or distributions with respect to the Applicable Ownership Interest in the appropriate Treasury Portfolio, as the case may be, shall

be held in the name of the Agent or its nominee in trust for the benefit of such Holder, until such Income PRIDES is so transferred or the Income PRIDES Certificate is so delivered, as the case may be, or, until such Holder provides evidence satisfactory to the Company and the Agent that such Income PRIDES Certificate has been destroyed, lost or stolen, together with any indemnity that may be required by the Agent and the Company.

Except as described in this Section 3.13, for so long as the Purchase Contract underlying an Income PRIDES remains in effect, such Income PRIDES shall not be separable into its constituent parts, and the rights and obligations of the Holder in respect of the Debt Securities or the Applicable Ownership Interest in the appropriate Treasury Portfolio, as the case may be, and Purchase Contract comprising such Income PRIDES may be acquired, and may be transferred and exchanged, only as an entire Income PRIDES.

#### SECTION 3.14 REESTABLISHMENT OF INCOME PRIDES.

Subject to the last sentence of this paragraph, a Holder of a Growth PRIDES may, at any time on or prior to the seventh Business Day immediately preceding the Purchase Contract Settlement Date, recreate an Income PRIDES by depositing with the Collateral Agent a Debt

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Security or the Applicable Ownership Interest in the appropriate Treasury Portfolio, as the case may be, having an aggregate principal amount equal to the aggregate principal amount at maturity of, and in substitution for all, but not less than all, of the Treasury Securities comprising part of a Growth PRIDES in accordance with this Section 3.14; provided, however, that if a Treasury Portfolio has replaced the Debt Securities as a component of Income PRIDES as a result of a successful remarketing of the Debt Securities or a Special Event Redemption, such Collateral Substitutions may be made at any time on or prior to the second Business Day immediately preceding the Purchase Contract Settlement Date. Holders of Growth PRIDES may make such Collateral Substitutions and establish Income PRIDES (i) only in integral multiples of 40 Growth PRIDES if Treasury Securities are being replaced by only Debt Securities, or (ii) only in integral multiples of \_\_\_\_\_ Growth PRIDES (or such other number of Growth PRIDES as may be determined by the Remarketing Agent or the Quotation Agent following a successful remarketing of the Debt Securities or a Special Event Redemption, respectively, if the Reset Date or the Special Event Redemption Date, as the case may be, is not an Interest Payment Date) if any Treasury Security is being replaced by the Applicable Ownership Interest in the appropriate Treasury Portfolio. To create (x) 40 Income PRIDES (if a Special Event Redemption has not occurred and the Debt Securities remain components of Income PRIDES), or (y) \_\_\_\_\_ Income PRIDES or such other number of Income PRIDES as may be determined by the Remarketing Agent or the Quotation Agent following a successful remarketing of the Debt Securities or a Special Event Redemption, respectively, if the Reset Date or the Special Event Redemption Date, as the case may be, is not an Interest Payment Date (if a Special Event Redemption has occurred or the Remarketing Treasury Portfolio has replaced the Debt Securities as a result of a successful remarketing of such Debt Securities), the Growth PRIDES Holder shall

(a) if a Treasury Portfolio has not replaced the Debt Securities as a component of Income PRIDES as a result of a successful remarketing of the Debt Securities or a Special Event Redemption, on or prior to the seventh Business Day immediately preceding the Purchase Contract Settlement Date, deposit with the Collateral Agent \$1,000 in aggregate principal amount of Debt Securities; or

(b) if a Treasury Portfolio has replaced the Debt Securities as a component of Income PRIDES as a result of a successful remarketing of the Debt Securities or a Special Event Redemption, on or prior to the second Business Day immediately preceding the Purchase Contract Settlement Date, (1) deposit with the Collateral Agent the Applicable Ownership Interest in the Treasury Portfolio for each \_\_\_\_\_ Income PRIDES (or such other number of Income PRIDES as may be determined by the Remarketing Agent or the Quotation Agent following a successful remarketing of the Debt Securities or a Special Event Redemption, respectively, if the Reset Date or the Special Event Redemption Date, as the case may be, is not an Interest Payment Date) being created by the Holder, and having an aggregate principal amount of \$ \_\_\_\_\_ (or \$25 multiplied by such number of Growth PRIDES as may be determined by the Remarketing Agent or the Quotation Agent as described in clause (ii) above), and (2) if the Income PRIDES are reestablished following a Reset Date which is not also a Payment Date but prior to the close of business on the Record Date related to the Payment Date next succeeding such Reset Date, deposit with the Collateral Agent cash in an amount equal to the interest accrued on the Debt Securities that would have been a component of the Income PRIDES

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to be created from the Interest Payment Date next preceding the Reset Date to but excluding the Reset Date; and

(c) in each case, transfer and surrender the related 40 Growth PRIDES, or in the event the Treasury Portfolio is a component of Income PRIDES, \_\_\_\_\_ Income PRIDES (or such other number of Income PRIDES as may be determined by the Remarketing Agent or the Quotation Agent following a successful remarketing of the Debt Securities or a Special Event Redemption, respectively, if the Reset Date or the Special Event Redemption Date, as the case may be, is not an Interest Payment Date), to the Agent accompanied by a notice to the Agent, substantially in the form of Exhibit B to the Pledge Agreement, stating that the Holder has transferred the relevant amount of Debt Securities or the Applicable Ownership Interest in the appropriate Treasury Portfolio, as the case may be, to the Collateral Agent and requesting that the Agent instruct the Collateral Agent to release the Treasury Securities underlying such Growth PRIDES, whereupon the Agent shall promptly give such instruction to the Collateral Agent, substantially in the form of Exhibit A to the Pledge Agreement.

Unless a successful remarketing of the Debt Securities or a Special Event Redemption has previously occurred, Holders of Growth PRIDES shall not be permitted to effect Collateral Substitutions in accordance with the provisions of this Section 3.14 during the period commencing on and including the Business Day prior to the first of the three sequential Remarketing Dates comprising a Three-Day Remarketing Period and ending on and including the Reset Date relating to a successful remarketing or, if none of the remarketings during such Three-Day Remarketing Period is successful, the Business Day following the last of the three sequential Remarketing Dates occurring during such Three-Day Remarketing Period.

Upon receipt of the Debt Securities or the Applicable Ownership Interest in the appropriate Treasury Portfolio, as the case may be, described in clause (a) or (b) above and the instructions described in clause (c) above, in accordance with the terms of the Pledge Agreement, the Collateral Agent will effect

the release of the Treasury Securities having a corresponding aggregate principal amount from the Pledge to the Agent free and clear of the Company's security interest therein, and upon receipt thereof the Agent shall promptly:

(i) cancel the related Growth PRIDES surrendered and transferred;

(ii) transfer the Treasury Securities that had been components of such Growth PRIDES to the Holder; and

(iii) authenticate, execute on behalf of such Holder and deliver an Income PRIDES Certificate executed by the Company in accordance with Section 3.3 evidencing the same number of Purchase Contracts as were evidenced by the cancelled Growth PRIDES.

Holders who elect to separate Treasury Securities from the related Purchase Contract and to substitute Debt Securities or the Applicable Ownership Interest in the appropriate Treasury Portfolio, as the case may be, for such Treasury Securities shall be responsible for any fees or expenses payable to the Collateral Agent for its services as Collateral Agent in respect of the substitution, and the Company shall not be responsible for any such fees or expenses.

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In the event a Holder making a Collateral Substitution pursuant to this Section 3.14 fails to effect a book-entry transfer of the Growth PRIDES or fails to deliver a Growth PRIDES Certificate to the Agent after depositing the Debt Securities or Applicable Ownership Interest in the appropriate Treasury Portfolio with the Collateral Agent, the Treasury Securities constituting a part of such Growth PRIDES Certificate, and any interest on such Treasury Securities, shall be held in the name of the Agent or its nominee in trust for the benefit of such Holder, until such Growth PRIDES is so transferred or the Growth PRIDES is so delivered, or until such Holder provides evidence satisfactory to the Company and the Agent that such Growth PRIDES has been destroyed, lost or stolen, together with any indemnity that may be required by the Agent and the Company.

Except as provided in this Section 3.14, for so long as the Purchase Contract underlying a Growth PRIDES remains in effect, such Growth PRIDES shall not be separable into its constituent parts and the rights and obligations of the Holder of such Growth PRIDES in respect of the Treasury Security and Purchase Contract comprising such Growth PRIDES may be acquired, and may be transferred and exchanged only as an entire Growth PRIDES.

#### SECTION 3.15 TRANSFER OF COLLATERAL UPON OCCURRENCE OF TERMINATION EVENT.

Upon the occurrence of a Termination Event and the transfer to the Agent of the Debt Securities, the Applicable Ownership Interest in the appropriate Treasury Portfolio or the Treasury Securities, as the case may be, underlying the Income PRIDES and the Growth PRIDES pursuant to the terms of the Pledge Agreement, the Agent shall request transfer instructions with respect to such Debt Securities or the Applicable Ownership Interest in the appropriate Treasury Portfolio or Treasury Securities, as the case may be, from each Holder by written request mailed to such Holder at its address as it appears in the Income PRIDES Register or the Growth PRIDES Register, as the case may be. Upon book-entry transfer of an Income PRIDES Certificate or Growth PRIDES Certificate or delivery of an Income PRIDES Certificate or Growth PRIDES Certificate to the Agent with such transfer instructions, the Agent shall transfer the Debt Securities, the Applicable Ownership Interest in the appropriate Treasury Portfolio or Treasury Securities, as the case may be, underlying such Income PRIDES or Growth PRIDES, as the case may be, to such Holder by book-entry transfer, or other appropriate procedures, in accordance with such instructions. In the event a Holder of Income PRIDES or Growth PRIDES fails to effect such transfer or delivery, the Debt Securities, the Applicable Ownership Interest in the appropriate Treasury Portfolio or Treasury Securities, as the case may be, underlying such Income PRIDES or Growth PRIDES, as the case may be, and any interest thereon, shall be held in the name of the Agent or its nominee in trust for the benefit of such Holder, until such Income PRIDES or Growth PRIDES are transferred or the Income PRIDES Certificate or Growth PRIDES Certificate is surrendered or such Holder provides satisfactory evidence that such Income PRIDES Certificate or Growth PRIDES Certificate has been destroyed, lost or stolen, together with any indemnity that may be required by the Agent and the Company. In the case of a Treasury Portfolio or any Treasury Securities, the Agent may dispose of the subject securities for cash and pay the applicable portion of such cash to the Holders in lieu of such Holders' Applicable Ownership Interest in such Treasury Portfolio, or any Treasury Securities, where such Holder would otherwise have been entitled to receive less than \$1,000 of any such security.

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#### SECTION 3.16 NO CONSENT TO ASSUMPTION.

Each Holder of a Security, by acceptance thereof, will be deemed expressly to have withheld any consent to the assumption under Section 365 of the Bankruptcy Code or otherwise, of the Purchase Contract by the Company, its trustee in bankruptcy, receiver, liquidator or a person or entity performing similar functions, in the event that the Company becomes a debtor under the Bankruptcy Code or subject to other similar State or Federal law providing for reorganization or liquidation.

### ARTICLE IV

#### THE DEBT SECURITIES

#### SECTION 4.1 PAYMENT OF INTEREST; RIGHTS TO INTEREST PRESERVED; INTEREST RATE RESET; NOTICE.

A payment of interest on the Debt Securities or distribution with respect to the Applicable Ownership Interest in the appropriate Treasury Portfolio, as the case may be, which is paid on any Payment Date shall, subject to receipt thereof by the Agent from the Collateral Agent as provided by the terms of

the Pledge Agreement, be paid to the Person in whose name the Income PRIDES Certificate (or one or more Predecessor Income PRIDES Certificates) of which such Debt Securities or the Applicable Ownership Interest in the appropriate Treasury Portfolio, as the case may be, are a part is registered at the close of business on the Record Date for such Payment Date. Interest payable on the Debt Securities on a Reset Date that falls on a day that is not a Payment Date, as well as any cash deposited with the Collateral Agent in accordance with the provisions of Section 3.14(b)(2), shall, in accordance with the provisions of the Pledge Agreement, be released by the Collateral Agent to the Agent on the next succeeding Payment Date or on such earlier date falling prior to the Record Date for such next succeeding Payment Date on which (1) Income PRIDES are transformed into Growth PRIDES pursuant to Section 3.13 by the Holder establishing Growth PRIDES, or (2) Income PRIDES are settled early in accordance with the provisions of Section 5.9 by the Holders exercising rights pursuant to such Section. Amounts payable in accordance with the preceding sentence shall be payable by the Agent to the Persons in whose names the Income PRIDES Certificate is registered at the close of business on the Record Date for the applicable Payment Date or to the Holder of Income PRIDES transforming Income PRIDES into Growth PRIDES or exercising an Early Settlement in accordance with Section 5.9. Interest in respect of the Debt Securities described in the second preceding sentence, as well as any cash deposited with the Collateral Agent in accordance with the provisions of Section 3.14(b)(2), held by the Collateral Agent pending distribution in accordance with the preceding sentence shall, in accordance with the terms of the Pledge Agreement, be held in a non-interest bearing account.

Each Income PRIDES Certificate evidencing Debt Securities delivered under this Agreement upon registration of transfer of or in exchange for or in lieu of any other Income PRIDES Certificate shall carry the rights to payment of interest accrued and unpaid, and to accrue interest, which are carried by the Debt Securities underlying such other Income PRIDES Certificate.

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In the case of any Income PRIDES with respect to which Cash Settlement of the underlying Purchase Contract is effected on the Business Day immediately preceding the Purchase Contract Settlement Date pursuant to prior notice, or with respect to which Early Settlement of the underlying Purchase Contract is effected on an Early Settlement Date, or with respect to which Cash Merger Early Settlement of the underlying Purchase Contract is effected on the Cash Merger Early Settlement Date, or with respect to which a Collateral Substitution is effected, in each case on a date that is after any Record Date and on or prior to the next succeeding Payment Date, interest on the Debt Securities or distributions with respect to the Applicable Ownership Interest in the appropriate Treasury Portfolio, as the case may be, underlying such Income PRIDES otherwise payable on such Payment Date shall be payable on such Payment Date notwithstanding such Cash Settlement, Early Settlement, Cash Merger Early Settlement or Collateral Substitution, and such interest or distributions shall, subject to receipt thereof by the Agent, be payable to the Person in whose name the Income PRIDES Certificate (or one or more Predecessor Income PRIDES Certificates) was registered at the close of business on the Record Date. Except as otherwise expressly provided in the immediately preceding sentence, in the case of any Income PRIDES with respect to which Cash Settlement, Early Settlement or Cash Merger Early Settlement of the underlying Purchase Contract is effected on the Business Day immediately preceding the applicable Purchase Contract Settlement Date, an Early Settlement Date or a Cash Merger Early Settlement Date, as the case may be, or with respect to which a Collateral Substitution has been effected, payment of interest on the related Debt Securities or distributions with respect to the Applicable Ownership Interest in the appropriate Treasury Portfolio, as the case may be, that would otherwise be payable after the Purchase Contract Settlement Date, Early Settlement Date or Cash Merger Early Settlement Date or after such Collateral Substitution, as the case may be, shall not be payable hereunder to the Holder of such Income PRIDES; provided, however, that to the extent that such Holder continues to hold the separated Debt Security that formerly comprised a part of such Holder's Income PRIDES, such Holder shall be entitled to receive the payment of interest on such separated Debt Security.

#### SECTION 4.2 NOTICE AND VOTING.

Under and subject to the terms of the Pledge Agreement, the Agent will be entitled to exercise the voting and any other consensual rights pertaining to the Pledged Debt Securities but only to the extent instructed by the Holders as described below. Upon receipt of notice of any meeting at which holders of Debt Securities are entitled to vote or upon any solicitation of consents, waivers or proxies of holders of Debt Securities, the Agent shall, as soon as practicable thereafter, mail to the Holders of Income PRIDES a notice (a) containing such information as is contained in the notice or solicitation, (b) stating that each Income PRIDES Holder on the record date set by the Agent therefor (which, to the extent possible, shall be the same date as the record date for determining the holders of Debt Securities entitled to vote) shall be entitled to instruct the Agent as to the exercise of the voting rights pertaining to the Debt Securities constituting a part of such Holder's Income PRIDES and (c) stating the manner in which such instructions may be given. Upon the written request of the Holders of Income PRIDES on such record date, the Agent shall endeavor insofar as practicable to vote or cause to be voted, in accordance with the instructions set forth in such requests, the maximum number of Debt Securities as to which any particular voting instructions are received. In the absence of specific instructions from the Holder of an Income PRIDES, the Agent shall abstain from voting the Debt Security constituting

a part of such Holder's Income PRIDES. The Company hereby agrees, if applicable, to solicit Holders of Income PRIDES to timely instruct the Agent in order to enable the Agent to vote such Debt Securities.

#### SECTION 4.3 SUBSTITUTION OF A TREASURY PORTFOLIO FOR DEBT SECURITIES.

(a) Upon the occurrence of a Special Event Redemption prior to the Purchase Contract Settlement Date, the Redemption Price payable on the Special Event Redemption Date with respect to the Applicable Principal Amount of Debt Securities shall be delivered to the Collateral Agent in exchange for the Pledged Debt Securities. Pursuant to the terms of the Pledge Agreement, the Collateral Agent will apply an amount equal to the Redemption Amount of such Redemption Price to purchase on behalf of the Holders of Income PRIDES the Special Event Treasury Portfolio and promptly remit the remaining portion of such Redemption Price, if any, to the Agent for payment to the Holders of such Income PRIDES. The Special Event Treasury Portfolio will be substituted for the outstanding Pledged Debt Securities, and will be held by the Collateral Agent in accordance with the terms of the Pledge Agreement to secure the obligation of each Holder of an Income PRIDES to purchase the Common Stock of the Company on the Purchase Contract Settlement Date under the Purchase Contract constituting a part of such Income PRIDES. Following the occurrence of a Special Event Redemption prior to the Purchase Contract Settlement Date, the Holders of Income PRIDES and the Collateral Agent shall have such security interests, rights and obligations with respect to the Special Event Treasury Portfolio as the Holder of Income PRIDES and the Collateral Agent had in respect of the Debt Securities subject to the Pledge thereof as provided in Articles II, III, IV, V and VI of the Pledge Agreement, and any reference herein to the Debt Securities shall be deemed to be reference to such Special Event Treasury Portfolio. The Company may cause to be made in any Income PRIDES Certificates thereafter to be issued such change in phraseology and form (but not in substance) as may be appropriate to reflect the substitution of the Special Event Treasury Portfolio for Debt Securities as collateral.

(b) Unless the Debt Securities have been called for a Special Event Redemption, the Company may cause all Debt Securities subject to the Pledge as a part of the Income PRIDES, and any other Debt Securities held by Holders that have elected to include their Debt Securities in such remarketing, to be remarketed during one or more Three-Day Remarketing Periods during the Period For Early Remarketing pursuant to the Remarketing Agreement; provided that there shall be no further remarketings following a successful remarketing of the Debt Securities during the Period For Early Remarketing. Upon a successful remarketing of the Debt Securities during the Period For Early Remarketing, the proceeds of the remarketing of Pledged Debt Securities (after deducting any Remarketing Fee) shall be delivered to the Collateral Agent in exchange for the Pledged Debt Securities. Pursuant to the terms of the Pledge Agreement, the Collateral Agent will apply an amount equal to the Remarketing Treasury Portfolio Purchase Price to purchase on behalf of the Holders of Income PRIDES the Remarketing Treasury Portfolio and promptly remit the remaining portion of such proceeds, if any, to the Agent for payment to the Holders of such Income PRIDES. The Remarketing Treasury Portfolio will be substituted for the outstanding Pledged Debt Securities, and will be held by the Collateral Agent in accordance with the terms of the Pledge Agreement to secure the obligation of each Holder of an Income PRIDES to purchase the Common Stock of the Company on the Purchase Contract

Settlement Date under the Purchase Contract constituting a part of such Income PRIDES. Following the successful remarketing of the Debt Securities during the Period For Early Remarketing, the Holders of Income PRIDES and the Collateral Agent shall have such security interests, rights and obligations with respect to the Remarketing Treasury Portfolio as the Holder of Income PRIDES and the Collateral Agent had in respect of the Pledged Debt Securities subject to the Pledge thereof as provided in Articles II, III, IV, V and VI of the Pledge Agreement, and any reference herein to the Debt Securities shall be deemed to be reference to such Remarketing Treasury Portfolio. The Company may cause to be made in any Income PRIDES Certificates thereafter to be issued such change in phraseology and form (but not in substance) as may be appropriate to reflect the substitution of the Remarketing Treasury Portfolio for Debt Securities as collateral.

#### SECTION 4.4 CONSENT TO TREATMENT FOR TAX PURPOSES.

Each Holder of an Income PRIDES or a Growth PRIDES, by its acceptance thereof, covenants and agrees to treat itself as the owner, for United States federal, state and local income and franchise tax purposes, of (i) the related Debt Securities or the Applicable Ownership Interest in the appropriate Treasury Portfolio, in the case of the Income PRIDES, or (ii) the Treasury Securities, in the case of the Growth PRIDES. Each Holder of an Income PRIDES, by its acceptance thereof, further covenants and agrees to treat the Debt Securities as indebtedness of the Company for United States federal, state and local income and franchise tax purposes.

### ARTICLE V

#### THE PURCHASE CONTRACTS

##### SECTION 5.1 PURCHASE OF SHARES OF COMMON STOCK.

Each Purchase Contract shall, unless a Termination Event, an Early Settlement or Cash Merger Early Settlement has occurred, obligate the Holder of the related Security to purchase, and the Company to sell, on the Purchase Contract Settlement Date, for \$25 in cash (the "Purchase Price"), a number of newly issued shares of Common Stock equal to the applicable Settlement Rate. The "Settlement Rate" is equal to (a) if the Applicable Market Value (as defined below) is equal to or greater than \$\_\_\_\_ (the "Threshold Appreciation Price"), \_\_\_\_\_ shares of Common Stock per Purchase Contract, (b) if the Applicable Market Value is less than the Threshold Appreciation Price, but is greater than \$\_\_\_\_ (the "Reference Price"), a number of shares of Common Stock per Purchase Contract equal to \$25 divided by the Applicable Market Value and (c) if the Applicable Market Value is less than or equal to the Reference Price, \_\_\_\_\_ shares of Common Stock per Purchase Contract, in each case subject to adjustment by virtue of the adjustment to the Threshold Appreciation Price and the Reference Price as provided in Section 5.6 (and in each case rounded upward or downward to the nearest 1/10,000th of a share). As provided in Section 5.10, no fractional shares of Common Stock will be issued upon settlement of Purchase Contracts.

The "Applicable Market Value" means the average of the Closing Price per share of the Common Stock on each of the 20 consecutive Trading Days ending on the third Trading Day immediately preceding the Purchase Contract Settlement Date or, in the event of a Cash Merger,

ending on the third Trading Day immediately preceding the consummation of the Cash Merger. The "Closing Price" of the Common Stock on any date of determination means the closing sale price (or, if no closing price is reported, the last reported sale price) of the Common Stock on the New York Stock Exchange (the "NYSE") on such date or, if the Common Stock is not listed for trading on the NYSE on any such date, as reported in the composite transactions for the principal United States national or regional securities exchange on which the Common Stock is so listed. If the Common Stock is not so listed on a United States national or regional securities exchange, the Closing Price means the last sale price of the Common Stock as reported by the NASDAQ Stock Market, or if the Common Stock is not so reported, the last quoted bid price for the Common Stock in the over-the-counter market as reported by the National Quotation Bureau or similar organization. If such bid price is not available, the Closing Price means market value of the Common Stock on such date as determined by a nationally recognized independent investment banking firm retained by the Company for this purpose. A "Trading Day" means a day on which the Common Stock (A) is not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business and (B) has traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of the Common Stock.

Each Holder of an Income PRIDES or a Growth PRIDES, by its acceptance thereof, irrevocably authorizes the Agent to enter into and perform the related Purchase Contract on its behalf as its attorney-in-fact (including the execution of Certificates on behalf of such Holder), agrees to be bound by the terms and provisions thereof, covenants and agrees to perform its obligations under such Purchase Contracts, and consents to the provisions hereof, irrevocably authorizes the Agent to enter into and perform the Pledge Agreement on its behalf as its attorney-in-fact, and consents to and agrees to be bound by the Pledge of the Debt Securities, the Treasury Portfolios or the Treasury Securities, as the case may be, pursuant to the Pledge Agreement. Each Holder of an Income PRIDES or a Growth PRIDES, by its acceptance thereof, further covenants and agrees, that, to the extent and in the manner provided in Section 5.4 and the Pledge Agreement, but subject to the terms thereof, payments in respect of the principal of and interest on Debt Securities or the Proceeds of the Treasury Securities or the Applicable Ownership Interest in any Treasury Portfolio on the Purchase Contract Settlement Date shall be paid by the Collateral Agent to the Company in satisfaction of such Holder's obligations under such Purchase Contract and such Holder shall acquire no right, title or interest in such payments.



Upon registration of transfer of a Certificate, the transferee shall be bound (without the necessity of any other action on the part of such transferee, except as may be required by the Agent pursuant hereto), under the terms of this Agreement, the Purchase Contracts underlying such Certificate and the Pledge Agreement; and the transferor shall be released from the obligations under this Agreement, the Purchase Contracts underlying the Certificates so transferred and the Pledge Agreement. The Company covenants and agrees, and each Holder of a Certificate, by its acceptance thereof, likewise covenants and agrees, to be bound by the provisions of this paragraph.

## SECTION 5.2 CONTRACT ADJUSTMENT PAYMENTS.

Subject to Section 5.3 herein, the Company shall pay, on each Payment Date, the Contract Adjustment Payments payable in respect of each Purchase Contract to the Person in

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whose name a Certificate (or one or more Predecessor Certificates) is registered on the Register at the close of business on the Record Date next preceding such Payment Date. The Contract Adjustment Payments will be payable at the Corporate Trust Office or, at the option of the Company, by check mailed to the address of the Person entitled thereto at such Person's address as it appears on the Income PRIDES Register or Growth PRIDES Register or by wire transfer to an account appropriately designated in writing by the Person entitled to payment.

Upon the occurrence of a Termination Event, the Company's obligation to pay Contract Adjustment Payments (including any accrued or Deferred Contract Adjustment Payments) shall cease.

Each Certificate delivered under this Agreement upon registration of transfer of or in exchange for or in lieu of any other Certificate (including as a result of a Collateral Substitution or the re-establishment of an Income PRIDES) shall carry the rights to Contract Adjustment Payments accrued and unpaid, and to accrue Contract Adjustment Payments, which were carried by the Purchase Contracts which were represented by such other Certificates.

Subject to Section 5.9, in the case of any Security with respect to which Early Settlement or Cash Merger Early Settlement of the underlying Purchase Contract is effected on an Early Settlement Date or Cash Merger Early Settlement Date that is after any Record Date and on or prior to the next succeeding Payment Date, Contract Adjustment Payments, if any, otherwise payable on such Payment Date shall be payable on such Payment Date notwithstanding such early settlement, and such Contract Adjustment Payments shall, subject to receipt thereof by the Agent, be payable to the Person in whose name the Certificate evidencing such Security (or one or more Predecessor Certificates) was registered at the close of business on such Record Date. Except as otherwise expressly provided in the immediately preceding sentence, in the case of any Security with respect to which Early Settlement or Cash Merger Early Settlement of the underlying Purchase Contract is effected on an Early Settlement Date or Cash Merger Early Settlement, Contract Adjustment Payments that would otherwise be payable after the Early Settlement Date or Cash Merger Early Settlement Date with respect to such Purchase Contract shall not be payable.

The Company's obligations with respect to Contract Adjustment Payments (including any accrued or Deferred Contract Adjustment Payments) will be subordinated and junior in right of payment to the Company's obligations under any Senior Indebtedness. Upon any payment or distribution of the Company's assets to its creditors upon any dissolution, winding up, liquidation or reorganization, whether voluntary or involuntary, or in bankruptcy, insolvency, receivership or other similar proceedings, the holders of all Senior Indebtedness shall first be entitled to receive payment in full of all amounts due or to become due thereon, or payment of such amounts shall have been provided for, before the Holders of the Securities shall be entitled to receive any Contract Adjustment Payments.

No payment of Contract Adjustment Payments may be made if (i) any payment default on any Senior Indebtedness has occurred and is continuing beyond any applicable grace period; or (ii) any default other than a payment default with respect to Senior Indebtedness occurs and is continuing that permits the acceleration of the maturity thereof and the Agent receives a written notice of such default from the Company or the holders of such Senior Indebtedness.

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## SECTION 5.3 DEFERRAL OF PAYMENT DATES FOR CONTRACT ADJUSTMENT PAYMENTS.

The Company shall have the right, at any time prior to the Purchase Contract Settlement Date, to defer the payment of any or all of the Contract Adjustment Payments otherwise payable on any Payment Date, but only if the Company shall give the Holders and the Agent written notice of its election to defer such payment (specifying the amount to be deferred) at least ten Business Days prior to the earlier of (i) the next succeeding Payment Date or (ii) the date the Company is required to give notice of the Record Date or Payment Date with respect to payment of such Contract Adjustment Payments to the NYSE or other applicable self-regulatory organization or to Holders of the Securities, but in any event not less than one Business Day prior to such Record Date. In connection with any Contract Adjustment Payments so deferred, additional Contract Adjustment Payments on the amounts so deferred will accrue at the rate of \_\_\_% per annum (computed on the basis of a 360-day year consisting of twelve 30-day months), compounding on each succeeding Payment Date, until paid in full (such deferred installments of Contract Adjustment Payments, if any, together with the accrued additional Contract Adjustment Payments accrued thereon, being referred to herein as the "Deferred Contract Adjustment Payments"). Deferred Contract Adjustment Payments, if any, shall be due on the next succeeding Payment Date except to the extent that payment is deferred pursuant to and to the extent provided in this Section 5.3. No Contract Adjustment Payments may be deferred to a date that is after the Purchase Contract Settlement Date. If the Purchase Contracts are terminated upon the occurrence of a Termination Event or as a result of an Early Settlement or Cash Merger Early Settlement, the Holder's right to receive Contract Adjustment Payments and Deferred Contract Adjustment Payments will terminate.

In the event that the Company elects to defer the payment of Contract Adjustment Payments on the Purchase Contracts until the Purchase Contract Settlement Date, each Holder will receive on the Purchase Contract Settlement Date, in lieu of a cash payment, a number of shares of Common Stock (in addition to a number of shares of Common Stock equal to the Settlement Rate) equal to (x) the aggregate amount of Deferred Contract Adjustment Payments payable to such Holder divided by (y) the Applicable Market Value.

No fractional shares of Common Stock will be issued by the Company with respect to the payment of Deferred Contract Adjustment Payments on the Purchase Contract Settlement Date. In lieu of fractional shares otherwise issuable with respect to such payment of Deferred Contract Adjustment Payments, the Holder will be entitled to receive an amount in cash as provided in Section 5.10.

In the event the Company exercises its option to defer the payment of Contract Adjustment Payments, then, until the Deferred Contract Adjustment Payments have been paid, neither the Company nor any of its subsidiaries shall declare or pay dividends on, make distributions with respect to, or redeem, purchase or acquire, or make a liquidation payment with respect to, any of the Company's capital stock or make guarantee payments with respect to any of the Company's capital stock other than (i) redemptions, purchases or acquisitions of capital stock of the Company in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or agents or a stock purchase or dividend reinvestment plan, or the satisfaction by the Company of its obligations

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pursuant to any contract or security outstanding on the date of such event requiring the Company to redeem, purchase or acquire its capital stock, (ii) as a result of a reclassification of the Company's capital stock or the exchange or conversion of all or a portion of one class or series of the Company's capital stock for another class or series of the Company's capital stock, (iii) the purchase of fractional interests in shares of the Company's capital stock pursuant to the conversion or exchange provisions of the Company's capital stock or the security being converted or exchanged, (iv) dividends or distributions in capital stock of the Company (or rights to acquire capital stock of the Company), or repurchases, redemptions or acquisitions of capital stock in connection with the issuance or exchange of capital stock of the Company (or securities convertible into or exchangeable for shares of the Company's capital stock) or (v) redemptions, exchanges or repurchases of any rights outstanding under a shareholder rights plan of the Company or the declaration or payment thereunder of a dividend or distribution of or with respect to rights in the future.

#### SECTION 5.4 PAYMENT OF PURCHASE PRICE.

(a) (i) Unless a Treasury Portfolio has replaced the Debt Securities as a component of the Income PRIDES (in which case, the provisions of Section 5.4(d) will be applicable to the Income PRIDES) or a Holder settles the underlying Purchase Contract through the early delivery of cash to the Agent in the manner described in Section 5.9, each Holder of an Income PRIDES must notify the Agent of its intention to pay in cash ("Cash Settlement") the Purchase Price for the shares of Common Stock to be purchased pursuant to the Purchase Contract on the Purchase Contract Settlement Date by presenting and surrendering to the Agent the Income PRIDES Certificate with a notice in substantially the form of Exhibit C hereto completed and executed. Such presentation, surrender and notice shall be made on or prior to 5:00 p.m., New York City time, on the seventh Business Day immediately preceding the Purchase Contract Settlement Date. The Agent shall promptly notify the Collateral Agent of the receipt of such a notice from a Holder intending to make a Cash Settlement. So long as the Securities are held by the Depository, such payments must be made and such notices must be given by Beneficial Owners through the procedures of the Depository.

(ii) A Holder of an Income PRIDES who has so notified the Agent of its intention to make a Cash Settlement is required to pay the Purchase Price to the Collateral Agent prior to 11:00 a.m., New York City time, on the Business Day immediately preceding the Purchase Contract Settlement Date in lawful money of the United States by certified or cashiers' check or wire transfer, in each case in immediately available funds payable to or upon the order of the Company. Any cash received by the Collateral Agent will be invested promptly by the Collateral Agent in Permitted Investments and paid to the Company on the Purchase Contract Settlement Date in settlement of the Purchase Contract in accordance with the terms of this Agreement and the Pledge Agreement. Any funds received by the Collateral Agent in respect of the investment earnings from the investment in such Permitted Investments, will be distributed to the Agent when received for payment to the Holder.

(iii) If a Holder of an Income PRIDES fails to notify the Agent of its intention to make a Cash Settlement in accordance with paragraph (a)(i) above, such failure shall constitute a default under the Purchase Contract and the Holder shall be deemed to have consented to the disposition of the Pledged Debt Securities pursuant to the remarketing as described in paragraph

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(b) below. If a Holder of an Income PRIDES does notify the Agent as provided in paragraph (a)(i) above of its intention to pay the Purchase Price in cash, but fails to make such payment as required by paragraph (a)(ii) above, such failure shall also constitute a default; provided that, the Collateral Agent, for the benefit of the Company, will exercise its rights as a secured party with respect to such Debt Securities, including those rights specified in paragraph (c) below, in lieu of remarketing the Debt Securities of such a Holder.

(b) In order to dispose of the Debt Securities of Income PRIDES Holders who have not notified the Agent of their intention to effect a Cash Settlement with respect to the Purchase Contract Settlement Date as provided in paragraph (a)(i) above, the Company shall engage the Remarketing Agent pursuant to the Remarketing Agreement to sell such Debt Securities during the Final Three-Day Remarketing Period. In order to facilitate the remarketing during the Final Three-Day Remarketing Period, the Agent shall notify the Remarketing Agent, by 10:00 a.m., New York City time, on the sixth Business Day immediately preceding the Purchase Contract Settlement Date, of the aggregate principal amount of Debt Securities to be remarketed. Concurrently, the Collateral Agent, pursuant to the terms of the Pledge Agreement, will present for remarketing Debt Securities in such aggregate principal amount to the Remarketing Agent. Upon receipt of such notice from the Agent and such Debt Securities from the Collateral Agent, the Remarketing Agent will, during the Final Three-Day Remarketing Period, use its reasonable efforts to remarket such Debt Securities on such date at a price equal to the sum of (x) approximately 100% of the aggregate principal amount of such Debt Securities and (y) the Remarketing Fee. After deducting the Remarketing Fee, the Remarketing Agent will remit the remaining portion of the proceeds from such remarketing to the Collateral Agent. A portion of the proceeds equal

to the aggregate principal amount of such Debt Securities will automatically be applied by the Collateral Agent, in accordance with the Pledge Agreement, to satisfy in full such Income PRIDES Holders' obligations to pay the Purchase Price for the Common Stock under the related Purchase Contracts on the Purchase Contract Settlement Date. Any proceeds in excess of those required to pay the Purchase Price and the Remarketing Fee will be remitted to the Agent for payment to the Holders of the related Income PRIDES. Income PRIDES Holders whose Debt Securities are so remarketed will not otherwise be responsible for the payment of any Remarketing Fee in connection therewith. If a remarketing attempt on the first Remarketing Date during the Final Three-Day Remarketing Period is not successful, the Remarketing Agent will, in accordance with the Remarketing Agreement, remarket the Debt Securities on each of the next two succeeding Remarketing Dates during the Final Three-Day Remarketing Period until a successful remarketing occurs. If none of the remarketings during the Final Three-Day Remarketing Period is successful such that a Failed Remarketing occurs, the Collateral Agent, for the benefit of the Company, will exercise its rights as a secured party with respect to such Debt Securities, including those actions specified in paragraph (c) below; provided that if the Collateral Agent exercises such rights for the benefit of the Company with respect to such Debt Securities in connection with a Failed Remarketing, any accrued and unpaid interest on such Debt Securities will become payable by the Company to the Agent for payment to the Holder of the Income PRIDES to which such Debt Securities relate. Such payment will be made by the Company on or prior to 11:00 a.m., New York City time, on the Purchase Contract Settlement Date in lawful money of the United States by certified or cashiers' check or wire transfer, in each case, in immediately available funds payable to or upon the order of the Agent. The Company will cause a notice of such Failed Remarketing to be published not later than the Business Day immediately preceding the Purchase Contract Settlement Date in an Authorized Newspaper.

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(c) With respect to any Debt Securities beneficially owned by Income PRIDES Holders who elect Cash Settlement but nevertheless fail to deliver cash as required in (a)(ii) above, or with respect to Debt Securities included in the remarketing during the Final Three-Day Remarketing Period that results in a Failed Remarketing, the Collateral Agent for the benefit of the Company reserves all of its rights as a secured party with respect thereto and, subject to applicable law and paragraph (h) below, may, among other things, (i) retain such Debt Securities in full satisfaction of the Holders' obligations under the Purchase Contracts or (ii) sell such Debt Securities in one or more public or private sales and apply the proceeds of such sale in full satisfaction of the Holders' obligations under the Purchase Contracts.

(d) (i) Unless a Holder of a Growth PRIDES (or an Income PRIDES if a Treasury Portfolio has replaced the Debt Securities as a component of the Income PRIDES) settles the underlying Purchase Contract through the early delivery of cash to the Purchase Contract Agent in the manner described in Section 5.9, each Holder of a Growth PRIDES (or an Income PRIDES if a Treasury Portfolio has replaced the Debt Securities as a component of the Income PRIDES) must notify the Agent of its intention to pay in cash the Purchase Price for the shares of Common Stock to be purchased pursuant to the Purchase Contract on the Purchase Contract Settlement Date by presenting and surrendering to the Agent the Growth PRIDES Certificate or Income PRIDES Certificate, as the case may be, with a notice in substantially the form of Exhibit C hereto completed and executed. Such presentation, surrender and notice must be made on or prior to 5:00 p.m., New York City time, on the second Business Day immediately preceding the Purchase Contract Settlement Date. The Agent shall promptly notify the Collateral Agent of the receipt of such notice from a Holder intending to make a Cash Settlement.

(ii) A Holder of a Growth PRIDES (or an Income PRIDES if a Treasury Portfolio has replaced the Debt Securities as a component of the Income PRIDES) who has so notified the Agent of its intention to make a Cash Settlement in accordance with paragraph (d)(i) above is required to pay the Purchase Price to the Collateral Agent prior to 11:00 a.m., New York City time, on the Business Day immediately preceding the Purchase Contract Settlement Date in lawful money of the United States by certified or cashiers' check or wire transfer, in each case, in immediately available funds payable to or upon the order of the Company. Any cash received by the Collateral Agent will be invested promptly by the Collateral Agent in Permitted Investments and paid to the Company on the Purchase Contract Settlement Date in settlement of the Purchase Contract in accordance with the terms of this Agreement and the Pledge Agreement. Any funds received by the Collateral Agent in respect of the investment earnings from the investment in such Permitted Investments will be distributed to the Agent when received for payment to the Holder.

(iii) If a Holder of a Growth PRIDES (or an Income PRIDES if a Treasury Portfolio has replaced the Debt Securities as a component of the Income PRIDES) fails to notify the Agent of its intention to make a Cash Settlement in accordance with paragraph (d)(i) above, or if such Holder does notify the Agent as provided in paragraph (d)(i) above of its intention to pay the Purchase Price in cash, but fails to make such payment as required by paragraph (d)(ii) above, then such failure shall constitute a default under the Purchase Contract and upon the maturity of the Pledged Treasury Securities or the Applicable Ownership Interest in the appropriate Treasury Portfolio, as the case may be, held by the Collateral Agent on the Business Day immediately prior to the Purchase Contract Settlement Date, the principal amount of the Treasury Securities

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or the Applicable Ownership Interest in the appropriate Treasury Portfolio, as the case may be, received by the Collateral Agent will be invested promptly in overnight Permitted Investments. On the Purchase Contract Settlement Date an amount equal to the Purchase Price will be remitted to the Company as payment thereof without receiving any instructions from the Holder. In the event the sum of the proceeds from the related Pledged Treasury Securities or the Applicable Ownership Interest in the appropriate Treasury Portfolio, as the case may be, and the investment earnings earned from such investments is in excess of the aggregate Purchase Price of the Purchase Contracts being settled thereby, the Collateral Agent will distribute such excess to the Agent for the benefit of the Holder of the related Growth PRIDES or Income PRIDES when received.

(e) Any distribution to Holders of excess funds and interest described above, shall be payable at the Corporate Trust Office maintained for that purpose or, at the option of the Holder, by check mailed to the address of the Person entitled thereto at such address as it appears on the Register.

(f) The Company shall not be obligated to issue any shares of Common Stock in respect of a Purchase Contract or deliver any certificate therefor to the Holder unless it shall have received payment in full of the Purchase Price for the shares of Common Stock to be purchased thereunder in the manner herein set forth.

(g) Upon Cash Settlement with respect to a Purchase Contract, (i) the Collateral Agent will in accordance with the terms of the Pledge Agreement cause the Pledged Debt Security or the Pledged Applicable Ownership Interest in the appropriate Treasury Portfolio, as the case may be, or the Pledged

Treasury Security underlying the relevant Security to be released from the Pledge by the Collateral Agent free and clear of any security interest of the Company and transferred to the Agent for delivery to the Holder thereof or its designee as soon as practicable and (ii) subject to the receipt thereof from the Collateral Agent, the Agent shall, by book-entry transfer, or other appropriate procedures, in accordance with instructions provided by the Holder thereof, transfer such Debt Security or the Applicable Ownership Interest in the appropriate Treasury Portfolio, as the case may be, or such Treasury Security (or, if no such instructions are given to the Agent by the Holder, the Agent shall hold such Debt Security or the Applicable Ownership Interest in the appropriate Treasury Portfolio, as the case may be, or such Treasury Security, and any distribution thereon, in the name of the Agent or its nominee in trust for the benefit of such Holder).

(h) The obligations of the Holders to pay the Purchase Price on the Purchase Contract Settlement Date are non-recourse obligations and are payable solely out of any Cash Settlement or the proceeds of any Collateral pledged to secure the obligations of the Holders with respect to such Purchase Price, and in no event will Holders be liable for any deficiency between the proceeds of Collateral disposition and the Purchase Price.

#### SECTION 5.5 ISSUANCE OF SHARES OF COMMON STOCK.

Unless a Termination Event shall have occurred, and except with respect to Purchase Contracts with respect to which there has been an Early Settlement or Cash Merger Early Settlement, on the Purchase Contract Settlement Date, upon the Company's receipt of payment

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in full of the Purchase Price for the shares of Common Stock purchased by the Holders pursuant to the foregoing provisions of this Article and subject to Section 5.6(b), the Company shall issue and deposit with the Agent, for the benefit of the Holders of the Outstanding Securities, one or more certificates representing the newly issued shares of Common Stock registered in the name of the Agent (or its nominee) as custodian for the Holders (such certificates for shares of Common Stock, together with any dividends or distributions for which both a record date and payment date for such dividend or distribution has occurred after the Purchase Contract Settlement Date, being hereinafter referred to as the "Purchase Contract Settlement Fund") to which the Holders are entitled hereunder. Subject to the foregoing, upon surrender of a Certificate to the Agent on or after the Purchase Contract Settlement Date, together with settlement instructions thereon duly completed and executed, the Holder of such Certificate shall be entitled to receive in exchange therefor a certificate representing that number of whole shares of Common Stock which such Holder is entitled to receive pursuant to the provisions of this Article V (after taking into account all Securities then held by such Holder) together with cash in lieu of fractional shares as provided in Section 5.10 and any dividends or distributions with respect to such shares constituting part of the Purchase Contract Settlement Fund, but without any interest thereon, and any Certificate so surrendered shall forthwith be cancelled. Such shares shall be registered in the name of the Holder or the Holder's designee as specified in the settlement instructions provided by the Holder to the Agent. If any shares of Common Stock issued in respect of a Purchase Contract are to be registered to a Person other than the Person in whose name the Certificate evidencing such Purchase Contract is registered, no such registration shall be made unless the Person requesting such registration has paid any transfer and other taxes required by reason of such registration in a name other than that of the registered Holder of the Certificate evidencing such Purchase Contract or has established to the satisfaction of the Company that such tax either has been paid or is not payable.

#### SECTION 5.6 ADJUSTMENT OF THRESHOLD APPRECIATION PRICE, REFERENCE PRICE AND SETTLEMENT RATE.

(a) Adjustments for Dividends, Distributions, Stock Splits, Etc.

(1) In case the Company shall pay or make a dividend or other distribution on the Common Stock in Common Stock, each of the Threshold Appreciation Price and the Reference Price, as in effect at the opening of business on the day following the date fixed for the determination of stockholders entitled to receive such dividend or other distribution, shall be adjusted by multiplying each such price by a fraction of which the numerator shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination and the denominator shall be the sum of such number of shares and the total number of shares constituting such dividend or other distribution, such increase to become effective immediately after the opening of business on the Business Day following the date fixed for such determination. For the purposes of this paragraph (1), the number of shares of Common Stock at any time outstanding shall not include shares held in the treasury of the Company but shall include any shares issuable in respect of any scrip certificates issued in lieu of fractions of shares of Common Stock. The Company will not pay any dividend or make any distribution on shares of Common Stock held in the treasury of the Company.

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(2) In case the Company shall issue rights, options or warrants to all holders of its Common Stock that are not available on an equivalent basis to Holders of the Securities upon settlement of the Purchase Contracts underlying such Securities entitling such holders of the Common Stock, for a period expiring within 45 days after the record date for the determination of stockholders entitled to receive such rights, options or warrants, to subscribe for or purchase shares of Common Stock at a price per share less than the Current Market Price per share of the Common Stock on the date fixed for the determination of stockholders entitled to receive such rights, options or warrants (other than pursuant to any dividend reinvestment plan or share purchase plan, including such a plan that provides for purchases of Common Stock by non-shareholders), each of the Threshold Appreciation Price and the Reference Price as in effect at the opening of business on the day following the date fixed for such determination, shall be adjusted by multiplying each such price by a fraction of which the numerator shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination plus the number of shares of Common Stock which the aggregate of the offering price of the total number of shares of Common Stock so offered for subscription or purchase would purchase at such Current Market Price and the denominator shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination plus the number of shares of Common Stock so offered for subscription or purchase, such increase to become effective immediately after the opening of business on the day following the date fixed for such determination. For the purposes of this paragraph (2), the number of shares of Common Stock at any time outstanding shall not include shares held in the treasury of the Company but shall include any shares issuable in respect of any scrip certificates issued in lieu of fractions of shares of Common Stock. The Company shall not issue any such rights, options or warrants in respect of shares of Common Stock held in the treasury of the Company.

(3) In case outstanding shares of Common Stock shall be subdivided or split into a greater number of shares of Common Stock, each of the Threshold Appreciation Price and the Reference Price, as in effect at the opening of business on the day following the day upon which such subdivision or split

becomes effective, shall be proportionately decreased, and, conversely, in case outstanding shares of Common Stock shall each be combined into a smaller number of shares of Common Stock, each of the Threshold Appreciation Price and the Reference Price as in effect at the opening of business on the day following the day upon which such combination becomes effective, shall be proportionately increased, such reduction or increase, as the case may be, to become effective immediately after the opening of business on the day following the day upon which such subdivision, split or combination becomes effective.

(4) In case the Company shall, by dividend or otherwise, distribute to all holders of its Common Stock evidences of its indebtedness, shares of its capital stock, securities, cash or property excluding any dividend or distribution paid exclusively in cash and any dividend or distribution referred to in paragraphs (1) or (2) of this Section), each of the Threshold Appreciation Price and the Reference Price, as in effect at the opening of business on the day following the date fixed for the determination of stockholders entitled to receive such distribution, shall be adjusted by multiplying each such price by a fraction of which the numerator shall be the Current Market Price per share of the Common Stock on the date fixed for such determination less the then fair market value (which, in the case of publicly traded securities, shall be the Current Market Price of such securities (substituting such securities for the term "Common Stock" in the definition of Current Market Price) and in all other cases, as

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determined by the Board of Directors, whose determination shall be conclusive and described in a Board Resolution) of the portion of the assets or evidences of indebtedness so distributed applicable to one share of Common Stock and the denominator shall be such Current Market Price per share of the Common Stock, such adjustment to become effective immediately prior to the opening of business on the day following the date fixed for the determination of stockholders entitled to receive such distribution.

(5) In case the Company shall, by dividend or otherwise, make regular quarterly, semi-annual or annual cash dividends or make any other distributions consisting exclusively of cash to all holders of its Common Stock (excluding any cash dividend or distribution on shares of Common Stock to the extent that the aggregate cash dividend or distribution per share of Common Stock in any three month period does not exceed \$0.415 (the "Reference Dividend")), each of the Threshold Appreciation Price and the Reference Price as in effect at the opening of business on the date fixed for the determination of the stockholders entitled to receive such distribution dividend or distribution shall be adjusted by multiplying each such rate by a fraction of which the numerator shall be the Current Market Price per share of Common Stock on such date less the amount of cash so distributed applicable to one share of Common Stock in excess of the Reference Dividend and the denominator shall be the Current Market Price per share of Common Stock on such date, such adjustment to be effective immediately after the opening of business on the Business Day following the date fixed for the determination of shareholders entitled to receive such dividend or distribution; provided that if any adjustment to the Threshold Appreciation Price and the Reference Price would result in a price of less than \$.01, such price, as adjusted, shall equal \$.01. For purposes of the foregoing, the Reference Dividend shall be subject to adjustment on the same basis as each of the Threshold Appreciation Price and the Reference Price, provided that no adjustment shall be made to the Reference Dividend for any adjustment made pursuant to this clause (5).

(6) In case a tender or exchange offer made by the Company or any subsidiary of the Company for all or any portion of the Common Stock shall expire and such tender or exchange offer (as amended upon the expiration thereof) shall require the payment to stockholders (based on the acceptance (up to any maximum specified in the terms of the tender or exchange offer) of Purchased Shares (as defined below)) of an aggregate consideration having a fair market value (as determined by the Board of Directors, whose determination shall be conclusive and described in a Board Resolution) that combined together with (I) the aggregate of the cash plus the fair market value (as determined by the Board of Directors, whose determination shall be conclusive and described in a Board Resolution), as of the expiration of such tender or exchange offer, of consideration payable in respect of any other tender or exchange offer (other than consideration payable in respect of any odd-lot tender offer), by the Company or any subsidiary of the Company for all or any portion of the Common Stock expiring within the 12 months preceding the expiration of such tender or exchange offer and in respect of which no adjustment pursuant to paragraph (5) of this Section or this paragraph (6) has been made and (II) the aggregate amount of all or any portion of all-cash distributions to all holders of the Common Stock made exclusively in cash within the 12 months preceding the expiration of such tender or exchange offer in respect of which no adjustment pursuant to paragraph (5) of this Section or this paragraph (6) has been made, exceeds 10% of the product of the Current Market Price per share of the Common Stock as of the last time (the "Expiration Time") tenders could have been made pursuant to such tender or exchange offer (as it may be amended) times the number of shares of

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Common Stock outstanding (including any tendered shares) on the Expiration Time, then, and in each such case, immediately prior to the opening of business on the day after the date of the Expiration Time, each of the Threshold Appreciation Price and the Reference Price, shall be adjusted so that each shall equal the respective prices determined by multiplying each such price in effect immediately prior to the opening of business on the day after the date of the Expiration Time by a fraction (i) the numerator of which shall be equal to (A) the product of (I) the Current Market Price per share of the Common Stock on the date of the Expiration Time and (II) the number of shares of Common Stock outstanding (including any tendered shares) on the Expiration Time less (B) the amount of cash plus the fair market value (determined as aforesaid) of the aggregate consideration payable to stockholders based on the transactions described in clauses (I) and (II) above (assuming the acceptance, up to any maximum specified in the terms of the tender or exchange offer, of Purchased Shares), and (ii) the denominator of which shall be equal to the product of (A) the Current Market Price per share of the Common Stock as of the Expiration Time and (B) the number of shares of Common Stock outstanding (including any tendered shares) as of the Expiration Time less the number of all shares validly tendered and not withdrawn as of the Expiration Time (the shares deemed so accepted, up to any such maximum, being referred to as the "Purchased Shares").

(7) The reclassification of Common Stock into securities including securities other than Common Stock (other than any reclassification upon a Reorganization Event to which Section 5.6(b) applies) shall be deemed to involve (a) a distribution of such securities other than Common Stock to all holders of Common Stock (and the effective date of such reclassification shall be deemed to be "the date fixed for the determination of stockholders entitled to receive such distribution" and the "date fixed for such determination" within the meaning of paragraph (4) of this Section), and (b) a subdivision, split or combination, as the case may be, of the number of shares of Common Stock outstanding immediately prior to such reclassification into the number of shares of Common Stock outstanding immediately thereafter (and the effective date of such reclassification shall be deemed to be "the day upon which such subdivision or split becomes effective" or "the day upon which such combination becomes effective", as the case may be, and "the day upon which such subdivision, split or combination becomes effective" within the meaning of paragraph (3) of this Section).

(8) The "Current Market Price" per share of Common Stock on any day means the average of the daily Closing Prices for the twenty consecutive Trading Days ending not later than the earlier of the day in question and the day before the "ex date" with respect to the issuance or distribution requiring such computation. For purposes of this paragraph, the term "ex date," when used with respect to any issuance or distribution, shall mean the first date on which the Common Stock trades regular way on the applicable exchange or in the applicable market without the right to receive such issuance or distribution.

(9) All adjustments to the Threshold Appreciation Price and the Reference Price, shall be calculated to the nearest \$0.001, with \$0.0005 being rounded upwards. No adjustments in these prices shall be required unless such adjustment would result in an increase or decrease of at least one percent in the Settlement Rate; provided, however, that any adjustments which by reason of this subparagraph are not required to be made shall be carried forward and taken into account in any subsequent adjustment.

(10) The Company may make such decreases to the Threshold Appreciation Price and the Reference Price, in addition to those required by this Section, or make such increases in the Settlement Rate as it considers to be advisable in order to avoid or diminish the effect of any income tax to any holders of shares of Common Stock resulting from any dividend or distribution of stock or issuance of rights or warrants to purchase or subscribe for stock or from any event treated as such for income tax purposes or for any other reasons.

(b) Adjustment for Consolidation, Merger or Other Reorganization Event. In the event of (i) any consolidation or merger of the Company with or into another Person (other than a merger or consolidation in which the Company is the continuing corporation and in which the Common Stock outstanding immediately prior to the merger or consolidation is not exchanged for cash, securities or other property of the Company or another corporation), (ii) any sale, transfer, lease or conveyance to another Person of the property of the Company as an entirety or substantially as an entirety, (iii) any statutory exchange of securities of the Company with another Person (other than in connection with a merger or acquisition) or (iv) any liquidation, dissolution or winding up of the Company other than as a result of or after the occurrence of a Termination Event (any such event, a "Reorganization Event"), the Settlement Rate will be adjusted to provide that each Holder of Securities will receive on the Purchase Contract Settlement Date with respect to each Purchase Contract forming a part thereof, the kind and amount of securities, cash and other property receivable upon such Reorganization Event (except as otherwise specifically provided, without any interest thereon, and without any right to dividends or distributions thereon which have a record date that is prior to the Purchase Contract Settlement Date) by a Holder of the number of shares of Common Stock issuable on account of each Purchase Contract if the Purchase Contract Settlement Date had occurred immediately prior to such Reorganization Event assuming such Holder of Common Stock is not a Person with which the Company consolidated or into which the Company merged or which merged into the Company or with which such statutory exchange of securities was effected or to which such sale, transfer, lease or conveyance was made, as the case may be (any such Person, a "Constituent Person"), or an Affiliate of a Constituent Person to the extent such Reorganization Event provides for different treatment of Common Stock held by Affiliates of the Company and non-affiliates and such Holder failed to exercise its rights of election, if any, as to the kind or amount of securities, cash and other property receivable upon such Reorganization Event (provided that if the kind or amount of securities, cash and other property receivable upon such Reorganization Event is not the same for each share of Common Stock held immediately prior to such Reorganization Event by other than a Constituent Person or an Affiliate thereof and in respect of which such rights of election shall not have been exercised ("non-electing share"), then for the purpose of this Section the kind and amount of securities, cash and other property receivable upon such Reorganization Event by each non-electing share shall be deemed to be the kind and amount so receivable per share by a plurality of the non-electing shares). In the event of such a Reorganization Event, the Person formed by such consolidation, merger or exchange or the Person which acquires the assets of the Company or, in the event of a liquidation or dissolution of the Company, the Company or a liquidating trust created in connection therewith, shall execute and deliver to the Agent an agreement supplemental hereto providing that the Holders of each Outstanding Security shall have the rights provided by this Section 5.6. Such supplemental agreement shall provide for adjustments which, for events subsequent to the effective date of such supplemental agreement, shall be as nearly equivalent as may be practicable to the

adjustments provided for in this Section. The above provisions of this Section shall similarly apply to successive Reorganization Events.

#### SECTION 5.7 NOTICE OF ADJUSTMENTS AND CERTAIN OTHER EVENTS.

(a) Whenever the Threshold Appreciation Price, the Reference Price and/or the Settlement Rate is adjusted as herein provided, the Company shall:

(i) forthwith compute the Threshold Appreciation Price, the Reference Price and the Settlement Rate in accordance with Section 5.6 and prepare and transmit to the Agent a Company Certificate setting forth the Threshold Appreciation Price, the Reference Price and the Settlement Rate, the method of calculation thereof in reasonable detail, and the facts requiring such adjustment and upon which such adjustment is based; and

(ii) within 10 Business Days following the occurrence of an event that requires an adjustment to the Threshold Appreciation Price, the Reference Price and the Settlement Rate pursuant to Section 5.6 (or if the Company is not aware of such occurrence, as soon as practicable after becoming so aware), provide a written notice to the Agent of the occurrence of such event and a statement in reasonable detail setting forth the method by which the adjustment to the Threshold Appreciation Price, the Reference Price and the Settlement Rate was determined and setting forth the adjusted Threshold Appreciation Price, the Reference Price and the Settlement Rate. The Agent shall, upon receipt of such notice, forward such notices to the Holders of the Securities.

(b) The Agent shall not at any time be under any duty or responsibility to any Holder of Securities to determine whether any facts exist which may require any adjustment of the Threshold Appreciation Price, the Reference Price and the Settlement Rate, or with respect to the nature or extent or calculation of any such adjustment when made, or with respect to the method employed in making the same. The Agent shall not be accountable with respect to the validity or value (or the kind or amount) of any shares of Common Stock, or of any securities or property, which may at the time be issued or delivered with respect to any Purchase Contract, and the Agent makes no representation with respect thereto. The Agent shall not be responsible for any failure of the Company to issue, transfer or deliver any shares of Common Stock pursuant to a Purchase Contract or to comply with any of the duties, responsibilities or covenants of the Company contained in this Article.

## SECTION 5.8 TERMINATION EVENT; NOTICE.

The Purchase Contracts and all obligations and rights of the Company and the Holders thereunder, including, without limitation, the rights of the Holders to receive and the obligation of the Company to pay any Contract Adjustment Payments or any Deferred Contract Adjustment Payments, and the rights and obligations of the Holders to purchase Common Stock, will immediately and automatically terminate, without the necessity of any notice or action by any Holder, the Agent or the Company, if, on or prior to the Purchase Contract Settlement Date, a Termination Event shall have occurred. Upon the occurrence of a Termination Event, the Company shall promptly but in no event later than two Business Days thereafter give written notice thereof to the Agent, the Collateral Agent and to the Holders, at their addresses as they

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appear in the applicable Register. Upon and after the occurrence of a Termination Event, the Securities shall thereafter represent the right to receive the Debt Securities or the Applicable Ownership Interest in the appropriate Treasury Portfolio, as the case may be, forming a part of such Securities in the case of Income PRIDES, or Treasury Securities in the case of Growth PRIDES, in accordance with the provisions of Section 4.3 of the Pledge Agreement.

## SECTION 5.9 EARLY SETTLEMENT.

### (a) At Option of Holder.

(i) Subject to the last sentence of this paragraph, a Holder of Income PRIDES may settle the related Purchase Contracts in their entirety at any time on or prior to the seventh Business Day immediately preceding the Purchase Contract Settlement Date in the manner described herein, but only in integral multiples of 40 Income PRIDES; provided, however, if a Treasury Portfolio has become a component of the Income PRIDES, Holders of Income PRIDES may settle early only in integral multiples of \_\_\_\_\_ Income PRIDES (or such other number of Income PRIDES as may be determined by the Remarketing Agent or the Quotation Agent following a successful remarketing of the Debt Securities or a Special Event Redemption, respectively, if the Reset Date or the Special Event Redemption Date, as the case may be, is not an Interest Payment Date). A Holder of Growth PRIDES may settle the related Purchase Contracts in their entirety at any time on or prior to the second Business Day immediately preceding the Purchase Contract Settlement Date in the manner described herein (in either case, "Early Settlement") but only in integral multiples of 40 Growth PRIDES. The right to Early Settlement is subject to there being in effect, if so required under U.S. Federal securities laws, a registration statement covering the shares of Common Stock or other securities to be delivered in respect of the Purchase Contracts being settled (it being understood that, if so required under Federal securities laws, the Company shall use commercially reasonable efforts to (1) cause such a registration statement to become effective and (2) provide a prospectus in connection therewith, in each case, in a form appropriate for Early Settlements). Upon Early Settlement, (i) the Holder's rights to receive Deferred Contract Adjustment Payments, if any, on the Purchase Contracts being settled will be forfeited, (ii) the Holder's right to receive additional Contract Adjustment Payments in respect of such Purchase Contracts will terminate and (iii) no adjustment will be made to or for the Holder on account of Deferred Contract Adjustment Payments, or any amount accrued in respect of Contract Adjustment Payments. In order to exercise the right to effect any Early Settlement with respect to any Purchase Contracts, the Holder of the Certificate evidencing Securities shall deliver such Certificate to the Agent at the Corporate Trust Office duly endorsed for transfer to the Company or in blank with the form of Election to Settle Early therein duly completed and executed and accompanied by payment payable to the Company in immediately available funds in an amount (the "Early Settlement Amount") equal to the sum of (x) \$25 multiplied by the number of Purchase Contracts being settled and (y) if such delivery is made with respect to any Purchase Contracts during the period from the close of business on any Record Date next preceding any Payment Date to the opening of business on such Payment Date, an amount equal to the Contract Adjustment Payments payable on such Payment Date with respect to such Purchase Contracts; provided that no payment is required if the Company has elected to defer the Contract Adjustment Payments which would otherwise be payable on the Payment Date. Except as provided in the immediately preceding sentence and subject to the second to last paragraph of Section 5.2, no payment or

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adjustment shall be made upon Early Settlement of any Purchase Contract on account of any Contract Adjustment Payments accrued on such Purchase Contract or on account of any dividends on the Common Stock issued upon such Early Settlement. In order for any of the foregoing requirements to be considered satisfied or effective with respect to a Purchase Contract underlying any Security on or by a particular Business Day, such requirement must be met at or prior to 5:00 p.m., New York City time, on such Business Day; the first Business Day on which all of the foregoing requirements have been satisfied by 5:00 p.m., New York City time shall be the "Early Settlement Date" with respect to such Security. Unless a successful remarketing of the Debt Securities or a Special Event Redemption has previously occurred, Holders of Income PRIDES shall not be permitted to effect Early Settlement during the period commencing on and including the Business Day prior to the first of the three sequential Remarketing Dates comprising a Three-Day Remarketing Period and ending on and including the Reset Date relating to a successful remarketing or, if none of the remarketings during such Three-Day Remarketing Period is successful, the Business Day following the last of the three sequential Remarketing Dates occurring during such Three-Day Remarketing Period.

(ii) Upon Early Settlement of Purchase Contracts by a Holder of the related Securities, the Company shall issue, and the Holder shall be entitled to receive, \_\_\_\_\_ newly issued shares of Common Stock per Income PRIDES or Growth PRIDES (the "Early Settlement Rate") (regardless of the market price of the Common Stock on the date of Early Settlement). The Early Settlement Rate shall be adjusted in the same manner and at the same time as the Settlement Rate, by virtue of adjustments to the Threshold Appreciation Price and the Reference Price, is adjusted in accordance with Section 5.6. As promptly as practicable after Early Settlement of Purchase Contracts in accordance with the provisions of this Section 5.9, the Company shall issue and shall deliver to the Agent at the Corporate Trust Office a certificate or certificates for the full number of shares of Common Stock issuable upon such Early Settlement together with payment in lieu of any fraction of a share, as provided in Section 5.10.

(iii) No later than the third Business Day after the applicable Early Settlement Date the Company shall cause (i) the shares of Common Stock issuable upon Early Settlement of Purchase Contracts to be issued and delivered, and (ii) the related Debt Securities or the Applicable Ownership Interest in the appropriate Treasury Portfolio, in the case of Income PRIDES, or the related Treasury Securities, in the case of Growth PRIDES, to be released from the Pledge by the Collateral Agent and transferred, in each case to the Agent for delivery to the Holder thereof or its designee.

(iv) Upon Early Settlement of any Purchase Contracts, and subject to receipt of shares of Common Stock from the Company and (1) the Debt Securities or the Applicable Ownership Interest in the appropriate Treasury Portfolio and cash, if applicable, pursuant to the provisions of Section 5.9(a)(vi), as the case may be, in the case of Income PRIDES or (2) the Treasury Securities, in the case of Growth PRIDES, from the Collateral Agent, as applicable, the Agent shall, in accordance with the instructions provided by the Holder thereof on the applicable form of Election to Settle Early in the Certificate evidencing the related Securities, (i) transfer to the Holder the Debt Securities, the Treasury Portfolio and cash, if applicable, or the Treasury Securities, as the case may be, forming a part of such Securities, and (ii) deliver to the Holder a certificate or certificates for the full number of shares of Common Stock issuable upon such

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Early Settlement together with payment in lieu of any fraction of a share, as provided in Section 5.10.

(v) In the event that Early Settlement is effected with respect to Purchase Contracts underlying less than all the Securities evidenced by a Certificate, upon such Early Settlement the Company shall execute and the Agent shall authenticate, countersign and deliver to the Holder thereof, at the expense of the Company, a Certificate evidencing the Securities as to which Early Settlement was not effected.

(vi) In connection with an Early Settlement Date occurring on or after a Reset Date which is not also a Payment Date but prior to the close of business on the Record Date relating to the Payment Date next succeeding the Reset Date, the Holder shall be entitled to receive from the Collateral Agent, no later than the third Business Day after the applicable Early Settlement Date, cash in an amount equal to the interest accrued on the Debt Securities comprising a component of the Income PRIDES subject to such Early Settlement.

(b) Cash Merger.

(i) If, prior to the Purchase Contract Settlement Date, (i) the Company merges with or into another entity, (ii) the Common Stock is converted, exchanged, reclassified or cancelled in such merger, and (iii) at least 30% of the consideration received by the Company's shareholders for its Common Stock in such merger consists of cash or cash equivalents (a "Cash Merger"), then each Holder of Securities shall have the right to settle the Purchase Contract at the Settlement Rate in effect immediately before the Cash Merger (a "Cash Merger Early Settlement"). The right to Cash Merger Early Settlement is subject to there being in effect, if so required under Federal securities laws, a registration statement covering the securities to be delivered in respect of the Purchase Contracts being settled (it being understood that, if so required under Federal securities laws, the Company shall use commercially reasonable efforts to (1) cause such a registration statement to become effective and (2) provide a prospectus in connection therewith, in each case, in a form appropriate for Early Settlements). Upon Cash Merger Early Settlement, (i) the Holder's rights to receive Deferred Contract Adjustment Payments, if any, on the Purchase Contracts being settled will be forfeited, (ii) the Holder's right to receive additional Contract Adjustment Payments in respect of such Purchase Contracts will terminate and (iii) no adjustment will be made to or for the Holder on account of Deferred Contract Adjustment Payments, or any amount accrued in respect of Contract Adjustment Payments. The Company shall provide each of the Holders with a notice of the consummation of the Cash Merger within five Business Days after the consummation thereof. Such notice will specify, among other things, the "Cash Merger Early Settlement Date," which shall be 10 Business Days after the date of such notice, and the amount of the cash, securities and other consideration receivable by each Holder upon a Cash Merger Early Settlement.

(ii) To exercise a Cash Merger Early Settlement, a Holder shall deliver, present and surrender the Certificates evidencing such Securities as shall be settled at the offices of the Agent, accompanied by payment to the Company in immediately available funds of an amount (the "Cash Merger Early Settlement Amount") equal to (1) \$25 multiplied by (2) the number of Purchase Contracts being settled, plus (3) if such delivery is made with respect to any Purchase Contracts during the period from the close of business on any Record Date next preceding any

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Payment Date to the opening of business on such Payment Date, an amount equal to the Contract Adjustment Payments payable on such Payment Date with respect to such Purchase Contracts; provided that no payment is required if the Company has elected to defer the Contract Adjustment Payments which would otherwise be payable on the Payment Date, no later than 5:00 p.m., New York City time, on the Business Day immediately preceding the Cash Merger Early Settlement Date. Except as provided in the immediately preceding sentence and subject to the second to last paragraph of Section 5.2, no payment or adjustment shall be made upon Cash Merger Early Settlement of any Purchase Contract on account of any Contract Adjustment Payments accrued on such Purchase Contract or on account of any dividends on the Common Stock issued upon such Cash Merger Early Settlement.

(iii) Upon a Cash Merger Early Settlement, the Company will deliver, or cause to be delivered, to Holders duly exercising a Cash Merger Early Settlement on the Cash Merger Early Settlement Date the kind and amount of securities, cash or other property that such Holders would have been entitled to receive if they had settled the Purchase Contracts immediately before the Cash Merger at the Settlement Rate in effect at such time.

(iv) No later than the third Business Day after the applicable Cash Merger Early Settlement Date the Company shall cause (i) the shares of Common Stock issuable upon Cash Merger Early Settlement of Purchase Contracts to be issued and delivered, and (ii) the related Debt Securities or the Applicable Ownership Interest in the appropriate Treasury Portfolio and cash, if applicable pursuant to the provisions of Section 5.9(b)(vi), in the case of Income PRIDES, or the related Treasury Securities, in the case of Growth PRIDES, to be released from the Pledge by the Collateral Agent and transferred, in each case to the Agent for delivery to the Holder thereof or its designee.

(v) In the event that Cash Merger Early Settlement is effected with respect to Purchase Contracts underlying less than all the Securities evidenced by a Certificate, upon such Cash Merger Early Settlement the Company shall execute and the Agent shall authenticate, countersign and deliver to the Holder thereof, at the expense of the Company, a Certificate evidencing the Securities as to which Early Settlement was not effected.



(vi) In connection with a Cash Merger Early Settlement Date occurring on or after a Reset Date which is not also a Payment Date but prior to the close of business on the Record Date relating to the Payment Date next succeeding the Reset Date, the Holder shall be entitled to receive from the Collateral Agent, no later than the third Business Day after the applicable Cash Merger Early Settlement Date, cash in an amount equal to the interest accrued on the Debt Securities comprising a component of the Income PRIDES subject to such Cash Merger Early Settlement.

#### SECTION 5.10 NO FRACTIONAL SHARES.

No fractional shares or scrip representing fractional shares of Common Stock shall be issued or delivered upon settlement on the Purchase Contract Settlement Date or upon Early Settlement or Cash Merger Early Settlement of any Purchase Contracts. If Certificates evidencing more than one Purchase Contract shall be surrendered for settlement at one time by the same Holder, the number of full shares of Common Stock which shall be delivered upon

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settlement shall be computed on the basis of the aggregate number of Purchase Contracts evidenced by the Certificates so surrendered. Instead of any fractional share of Common Stock which would otherwise be deliverable upon settlement of any Purchase Contracts on the Purchase Contract Settlement Date or upon Early Settlement or Cash Merger Early Settlement, the Company, through the Agent, shall make a cash payment in respect of such fractional interest in an amount equal to the fractional share times the Applicable Market Value. The Company shall provide the Agent from time to time with sufficient funds to permit the Agent to make all cash payments required by this Section 5.10 in a timely manner.

#### SECTION 5.11 CHARGES AND TAXES.

The Company will pay all stock transfer and similar taxes attributable to the initial issuance and delivery of the shares of Common Stock pursuant to the Purchase Contracts and in payment of any Deferred Contract Adjustment Payments; provided, however, that the Company shall not be required to pay any such tax or taxes which may be payable in respect of any exchange of or substitution for a Certificate evidencing a Security or any issuance of a share of Common Stock in a name other than that of the registered Holder of a Certificate surrendered in respect of the Securities evidenced thereby, other than in the name of the Agent, as custodian for such Holder, and the Company shall not be required to issue or deliver such share certificates or Certificates unless or until the Person or Persons requesting the transfer or issuance thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid or that no such tax is due.

### ARTICLE VI

#### REMEDIES

#### SECTION 6.1 UNCONDITIONAL RIGHT OF HOLDERS TO RECEIVE CONTRACT ADJUSTMENT PAYMENTS AND TO PURCHASE COMMON STOCK.

The Holder of any Income PRIDES or Growth PRIDES shall have the right, which is absolute and unconditional (subject to the right of the Company to defer payment thereof pursuant to Section 5.3, the prepayment of Contract Adjustment Payments pursuant to Section 5.9 and the forfeiture of any Deferred Contract Adjustment Payments upon Early Settlement or Cash Merger Early Settlement pursuant to Section 5.9 or upon the occurrence of a Termination Event), to receive payment of each installment of the Contract Adjustment Payments with respect to the Purchase Contract constituting a part of such Security on the respective Payment Date for such Security and to purchase Common Stock pursuant to such Purchase Contract and, in each such case, to institute suit for the enforcement of any such payment and right to purchase Common Stock, and such rights shall not be impaired without the consent of such Holder.

#### SECTION 6.2 RESTORATION OF RIGHTS AND REMEDIES.

If any Holder has instituted any proceeding to enforce any right or remedy under this Agreement and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to such Holder, then and in every such case, subject to any determination in such proceeding, the Company and such Holder shall be restored severally and respectively to

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their former positions hereunder and thereafter all rights and remedies of such Holder shall continue as though no such proceeding had been instituted.

#### SECTION 6.3 RIGHTS AND REMEDIES CUMULATIVE.

Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Certificates in the last paragraph of Section 3.10, no right or remedy herein conferred upon or reserved 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.

#### SECTION 6.4 DELAY OR OMISSION NOT WAIVER.

No delay or omission of any Holder to exercise any right or remedy upon a default shall impair any such right or remedy or constitute a waiver of any such right. Every right and remedy given by this Article or by law to the Holders may be exercised from time to time, and as often as may be deemed expedient, by such Holders.

#### SECTION 6.5 UNDERTAKING FOR COSTS.

All parties to this Agreement agree, and each Holder of Income PRIDES or Growth PRIDES, by its acceptance of such Income PRIDES or Growth PRIDES shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Agreement, or in any suit against the Agent for any action taken, suffered or omitted by it as Agent, the filing by any party litigant in such suit of an

undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; provided that the provisions of this Section shall not apply to any suit instituted by the Company, to any suit instituted by the Agent, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than 10% of the Outstanding Securities, or to any suit instituted by any Holder for the enforcement of payment of interest on any Debt Securities or Contract Adjustment Payments on any Purchase Contract on or after the respective Payment Date therefor in respect of any Security held by such Holder, or for enforcement of the right to purchase shares of Common Stock under the Purchase Contracts constituting part of any Security held by such Holder.

#### SECTION 6.6 WAIVER OF STAY OR EXTENSION LAWS.

The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Agreement; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to

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the Agent or the Holders, but will suffer and permit the execution of every such power as though no such law had been enacted.

### ARTICLE VII

#### THE AGENT

#### SECTION 7.1 CERTAIN DUTIES AND RESPONSIBILITIES.

(a) Prior to a Default and after the curing or waiving of all such Defaults that may have occurred,

(1) the Agent undertakes to perform, with respect to the Securities, such duties and only such duties as are specifically set forth in this Agreement and no implied covenants or obligations shall be read into this Agreement against the Agent; and

(2) the Agent may, with respect to the Securities, conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, in the absence of bad faith, gross negligence or willful misconduct on the part of the Agent, upon certificates or opinions furnished to the Agent and conforming to the requirements of this Agreement; but in the case of any certificates or opinions which by any provision hereof are specifically required to be furnished to the Agent, the Agent shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Agreement.

(b) No provision of this Agreement shall be construed to relieve the Agent from liability for its own grossly negligent action, its own grossly negligent failure to act, or its own willful misconduct, except that:

(1) this Subsection shall not be construed to limit the effect of Subsection (a) of this Section;

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

(3) no provision of this Agreement shall require the Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

(c) Whether or not therein expressly so provided, every provision of this Agreement relating to the conduct or affecting the liability of or affording protection to the Agent shall be subject to the provisions of this Section.

(d) The Agent is authorized to execute, deliver and perform the Pledge Agreement in its capacity as Agent and to grant the Pledge. The Agent shall be entitled to all of the rights, privileges, immunities and indemnities contained in this Agreement with respect to any duties of the Agent under, or actions taken by the Agent pursuant to, such Pledge Agreement.

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(e) In case a Default has occurred (that has not been cured or waived), and is actually known by a Responsible Officer of the Agent, the Agent shall exercise such of the rights and powers vested in it by this Agreement, and use the same degree of care and skill in its exercise thereof, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(f) At the request of the Company, the Agent is authorized to execute and deliver one or more Remarketing Agreements to, among other things, effectuate Section 5.4.

## SECTION 7.2 NOTICE OF DEFAULT.

Within 90 days after the occurrence of any Default hereunder of which a Responsible Officer of the Agent has actual knowledge, the Agent shall transmit by mail to the Company and the Holders of Securities, as their names and addresses appear in the Register, notice of such Default hereunder, unless such Default shall have been cured or waived; provided that, except for a Default in any payment obligation hereunder, the Agent shall be protected in withholding such notice if and so long as a Responsible Officer of the Agent in good faith determines that the withholding of such notice is in the interests of the Holders of the Securities.

## SECTION 7.3 CERTAIN RIGHTS OF AGENT.

Subject to the provisions of Section 7.1:

(a) the Agent may conclusively rely and shall be 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;

(b) any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Certificate, Issuer Order or Issuer Request, and any resolution of the Board of Directors of the Company may be sufficiently evidenced by a Board Resolution;

(c) whenever in the administration of this Agreement the Agent shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Agent (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon a Company Certificate;

(d) the Agent may consult with counsel of its selection 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;

(e) the Agent 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 Agent, in its discretion, may make reasonable further inquiry or investigation into such facts or matters related to the execution, delivery and performance of the Purchase Contracts as it may see fit, and, if the Agent shall determine to make such further inquiry or

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investigation, it shall be given a reasonable opportunity to examine the books, records and premises of the Company, personally or by agent or attorney;

(f) the Agent may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys or an Affiliate and the Agent shall not be responsible for any misconduct or negligence on the part of any agent or attorney or an Affiliate appointed with due care by it hereunder; and

(g) the rights, privileges, protections, immunities and benefits given to the Agent, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Agent in each of its capacities hereunder.

## SECTION 7.4 NOT RESPONSIBLE FOR RECITALS OR ISSUANCE OF SECURITIES.

The recitals contained herein and in the Certificates shall be taken as the statements of the Company, and the Agent assumes no responsibility for their accuracy. The Agent makes no representations as to the validity or sufficiency of either this Agreement or of the Securities, or of the Pledge Agreement or the Pledge. The Agent shall not be accountable for the use or application by the Company of the proceeds in respect of the Purchase Contracts.

## SECTION 7.5 MAY HOLD SECURITIES.

Any Registrar or any other agent of the Company, or the Agent and its Affiliates, in their individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the Company, the Collateral Agent or any other Person with the same rights it would have if it were not Registrar or such other agent, or the Agent.

## SECTION 7.6 MONEY HELD IN CUSTODY.

Money held by the Agent in custody hereunder need not be segregated from the other funds except to the extent required by law or provided herein. The Agent shall be under no obligation to invest or pay interest on any money received by it hereunder except as otherwise agreed in writing with the Company.

#### SECTION 7.7 COMPENSATION AND REIMBURSEMENT.

The Company agrees:

(a) to pay to the Agent from time to time such compensation for all services rendered by it hereunder or in connection herewith as the parties shall agree from time to time in writing (which compensation shall not be limited by any provisions of law in regards to the compensation of a trustee of an express trust);

(b) except as otherwise expressly provided herein, to reimburse the Agent promptly upon its request for all reasonable expenses, disbursements and advances incurred or made by the Agent in accordance with any provision of this Agreement or in connection herewith (including the reasonable compensation and the expenses and disbursements of its agents and

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counsel), except any such expense, disbursement or advance as may be attributable to its gross negligence, willful misconduct or bad faith; and

(c) to indemnify the Agent and any predecessor Agent for, and to hold it harmless against, any loss, liability or expense incurred without gross negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration or the performance of its duties 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 or in connection herewith.

"Agent" for purposes of this Section 7.7 shall include any predecessor Agent; provided, however, that the gross negligence, willful misconduct or bad faith of any Agent hereunder shall not affect the rights of any other Agent hereunder.

When the Agent incurs expenses or renders services in an action or proceeding commenced pursuant to Section 4.3 of the Pledge Agreement upon the occurrence of a Termination Event, the expenses (including the reasonable charges and expenses of its counsel) and the compensation for the services are intended to constitute expenses of administration under any applicable Federal or State bankruptcy, insolvency or other similar law.

The provisions of this Section 7.7 shall survive the termination of this Agreement and the Pledge Agreement.

#### SECTION 7.8 CORPORATE AGENT REQUIRED; ELIGIBILITY.

There shall at all times be an Agent hereunder which shall be (i) not an Affiliate of the Company and (ii) 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 exercise corporate trust powers, having (or being a member of a bank holding company having) a combined capital and surplus of at least \$50,000,000 and subject to supervision or examination by Federal or State authority. If such corporation 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 corporation 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 Agent 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.

#### SECTION 7.9 RESIGNATION AND REMOVAL; APPOINTMENT OF SUCCESSOR.

(a) No resignation or removal of the Agent and no appointment of a successor Agent pursuant to this Article shall become effective until the acceptance of appointment by the successor Agent in accordance with the applicable requirements of Section 7.10.

(b) The Agent may resign at any time by giving written notice thereof to the Company 60 days prior to the effective date of such resignation. If the instrument of acceptance by a successor Agent required by Section 7.10 shall not have been delivered to the Agent within

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30 days after the giving of such notice of resignation, the resigning Agent may petition any court of competent jurisdiction for the appointment of a successor Agent.

(c) The Agent may be removed at any time by Act of the Holders of a majority in number of the Outstanding Securities delivered to the Agent and the Company.

(d) If at any time

(1) the Agent fails to comply with Section 310(b) of the TIA, as if the Agent was an indenture trustee under an indenture qualified under the TIA, 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, or

(2) the Agent shall cease to be eligible under Section 7.8 and shall fail to resign after written request therefor by the Company or by any such Holder, or

(3) the Agent shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Agent or of its property shall be appointed or any public officer shall take charge or control of the Agent or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then, in any such case, (i) the Company by a Board Resolution may remove the Agent, or (ii) 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 Agent and the appointment of a successor Agent.

(e) If the Agent shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Agent for any cause, the Company, by a Board Resolution, shall promptly appoint a successor Agent and shall comply with the applicable requirements of Section 7.10. If no successor Agent shall have been so appointed by the Company and accepted appointment in the manner required by Section 7.10, the Agent or 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 appointment of a successor Agent.

(f) The Company shall give, or shall cause such successor Agent to give, notice of each resignation and each removal of the Agent and each appointment of a successor Agent by mailing written notice of such event by first-class mail, postage prepaid, to all Holders as their names and addresses appear in the applicable Register. Each notice shall include the name of the successor Agent and the address of its Corporate Trust Office.

#### SECTION 7.10 ACCEPTANCE OF APPOINTMENT BY SUCCESSOR.

(a) In case of the appointment hereunder of a successor Agent, every such successor Agent so appointed shall execute, acknowledge and deliver to the Company and to the retiring Agent an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Agent shall become effective and such successor Agent, without any further act, deed or conveyance, shall become vested with all the rights, powers, agencies and duties of the retiring Agent; but, on the request of the Company or the successor Agent, such retiring Agent

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shall, upon payment of its charges, execute and deliver an instrument transferring to such successor Agent all the rights, powers and trusts of the retiring Agent and shall duly assign, transfer and deliver to such successor Agent all property and money held by such retiring Agent hereunder.

(b) Upon request of any such successor Agent, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Agent all such rights, powers and agencies referred to in paragraph (a) of this Section.

(c) No successor Agent shall accept its appointment unless at the time of such acceptance such successor Agent shall be qualified and eligible under this Article.

#### SECTION 7.11 MERGER, CONVERSION, CONSOLIDATION OR SUCCESSION TO BUSINESS.

Any Person into which the Agent may be merged or converted or with which it may be consolidated, or any Person resulting from any merger, conversion or consolidation to which the Agent shall be a party, or any Person succeeding to all or substantially all the corporate trust business of the Agent, shall be the successor of the Agent hereunder, provided such Person 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 Certificates shall have been authenticated and executed on behalf of the Holders, but not delivered, by the Agent then in office, any successor by merger, conversion or consolidation to such Agent may adopt such authentication and execution and deliver the Certificates so authenticated and executed with the same effect as if such successor Agent had itself authenticated and executed such Securities.

#### SECTION 7.12 PRESERVATION OF INFORMATION; COMMUNICATIONS TO HOLDERS.

(a) The Agent shall preserve, in as current a form as is reasonably practicable, the names and addresses of Holders received by the Agent in its capacity as Registrar.

(b) If three or more Holders (herein referred to as "applicants") apply in writing to the Agent, and furnish to the Agent reasonable proof that each such applicant has owned a Security for a period of at least six months preceding the date of such application, and such application states that the applicants desire to communicate with other Holders with respect to their rights under this Agreement or under the Securities and is accompanied by a copy of the form of proxy or other communication which such applicants propose to transmit, then the Agent shall mail to all the Holders copies of the form of

proxy or other communication which is specified in such request, with reasonable promptness after a tender to the Agent of the materials to be mailed and of payment, or provision for the payment, of the reasonable expenses of such mailing.

#### SECTION 7.13 NO OBLIGATIONS OF AGENT.

Except to the extent otherwise provided in this Agreement, the Agent assumes no obligations and shall not be subject to any liability under this Agreement, the Pledge Agreement or any Purchase Contract in respect of the obligations of the Holder of any Security thereunder. The Company agrees, and each Holder of a Certificate, by his acceptance thereof, shall be

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deemed to have agreed, that the Agent's execution of the Certificates on behalf of the Holders shall be solely as agent and attorney-in-fact for the Holders, and that the Agent shall have no obligation to perform such Purchase Contracts on behalf of the Holders, except to the extent expressly provided in Article V hereof.

#### SECTION 7.14 TAX COMPLIANCE.

(a) The Agent, on its own behalf and on behalf of the Company, will comply with all applicable certification, information reporting and withholding (including "backup" withholding) requirements imposed by applicable tax laws, regulations or administrative practice with respect to (i) any payments made with respect to the Securities or (ii) the issuance, delivery, holding, transfer, redemption or exercise of rights under the Securities. Such compliance shall include, without limitation, the preparation and timely filing of required returns and the timely payment of all amounts required to be withheld to the appropriate taxing authority or its designated agent.

(b) The Agent shall comply with any written direction received from the Company with respect to the application of such requirements to particular payments or Holders or in other particular circumstances, and may for purposes of this Agreement conclusively rely on any such direction in accordance with the provisions of Section 7.1(a)(2) hereof.

(c) The Agent shall maintain all appropriate records documenting compliance with such requirements, and shall make such records available, on written request, to the Company or its authorized representative within a reasonable period of time after receipt of such request.

### ARTICLE VIII

#### SUPPLEMENTAL AGREEMENTS

##### SECTION 8.1 SUPPLEMENTAL AGREEMENTS WITHOUT CONSENT OF HOLDERS.

Without the consent of any Holders, the Company and the Agent, at any time and from time to time, may enter into one or more agreements supplemental hereto, in form satisfactory to the Company and the Agent, for any of the following purposes:

(a) to evidence the succession of another Person to the Company, and the assumption by any such successor of the covenants of the Company herein and in the Certificates; or

(b) to add to the covenants of the Company for the benefit of the Holders, or to surrender any right or power herein conferred upon the Company; or

(c) to evidence and provide for the acceptance of appointment hereunder by a successor Agent; or

(d) to make provision with respect to the rights of Holders pursuant to the requirements of Section 5.6(b); or

(e) to cure any ambiguity, to correct or supplement any provisions herein which may be inconsistent with any other provisions herein, or to make any other provisions with respect to such matters or questions arising under this Agreement, provided such action shall not adversely affect the interests of the Holders in any material respect.

##### SECTION 8.2 SUPPLEMENTAL AGREEMENTS WITH CONSENT OF HOLDERS.

With the consent of the Holders of not less than a majority of the outstanding Purchase Contracts voting together as one class, by Act of said Holders delivered to the Company and the Agent, the Company, when authorized by a Board Resolution, and the Agent may enter into an agreement or agreements supplemental hereto for the purpose of modifying in any manner the terms of the Purchase Contracts, or the provisions of this Agreement or the rights of the Holders in respect of the Securities; provided, however, that, except as contemplated herein, no such supplemental agreement shall, without the consent of the Holder of each Outstanding Security affected thereby,

(a) change any Payment Date;

(b) impair the right of the Holder of any Purchase Contract to receive distributions on the related Collateral (except for the rights of Holders of Income PRIDES to substitute the Treasury Securities for the Pledged Debt Securities or the Applicable Ownership Interest in a Treasury Portfolio or the rights of Holders of Growth PRIDES to substitute Debt Securities or the Applicable Ownership Interest in a Treasury Portfolio for the Pledged Treasury Securities) or otherwise adversely affect the Holder's rights in or to such Collateral or adversely alter the rights in or to such Collateral;

(c) reduce any Contract Adjustment Payments or any Deferred Contract Adjustment Payment, or change any place where, or the coin or currency in which, any Contract Adjustment Payment is payable;

(d) impair the right to institute suit for the enforcement of any Purchase Contract;

(e) reduce the number of shares of Common Stock or the amount of any property subject to purchase under this Agreement to be purchased pursuant to any Purchase Contract, increase the price to purchase shares of Common Stock or any other property upon settlement of any Purchase Contract, change the Purchase Contract Settlement Date or the right to Early Settlement or Cash Merger Early Settlement or otherwise adversely affect the Holder's rights under any Purchase Contract; or

(f) reduce the percentage of the outstanding Purchase Contracts the consent of the Holders of which is required for any such supplemental agreement;

provided, that if any amendment or proposal referred to above would adversely affect only the Income PRIDES or the Growth PRIDES, then only the Holders of the affected class of Security as of the record date for the Holders entitled to vote thereon will be entitled to vote on or consent to such amendment or proposal, and such amendment or proposal shall not be effective except with the consent of Holders of not less than a majority of such class; provided further, however, that no such agreement, whether with or without the consent of the Holders, shall affect Section 3.16 hereof.

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

### SECTION 8.3 EXECUTION OF SUPPLEMENTAL AGREEMENTS.

In executing, or accepting the additional agencies created by, any supplemental agreement permitted by this Article or the modifications thereby of the agencies created by this Agreement, the Agent shall be entitled to receive and (subject to Section 7.1) shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental agreement is authorized or permitted by this Agreement. The Agent may, but shall not be obligated to, enter into any such supplemental agreement which affects the Agent's own rights, duties or immunities under this Agreement or otherwise.

### SECTION 8.4 EFFECT OF SUPPLEMENTAL AGREEMENTS.

Upon the execution of any supplemental agreement under this Article, this Agreement shall be modified in accordance therewith, and such supplemental agreement shall form a part of this Agreement for all purposes; and every Holder of Certificates theretofore or thereafter authenticated, executed on behalf of the Holders and delivered hereunder shall be bound thereby.

### SECTION 8.5 REFERENCE TO SUPPLEMENTAL AGREEMENTS.

Certificates authenticated, executed on behalf of the Holders and delivered after the execution of any supplemental agreement pursuant to this Article may, and shall if required by the Agent, bear a notation in form approved by the Agent as to any matter provided for in such supplemental agreement. If the Company shall so determine, new Certificates so modified as to conform, in the opinion of the Agent and the Company, to any such supplemental agreement may be prepared and executed by the Company and authenticated, executed on behalf of the Holders and delivered by the Agent in exchange for Outstanding Certificates.

## ARTICLE IX

### CONSOLIDATION, MERGER, SALE OR CONVEYANCE

#### SECTION 9.1 COVENANT NOT TO MERGE, CONSOLIDATE, SELL OR CONVEY PROPERTY EXCEPT UNDER CERTAIN CONDITIONS.

The Company covenants that it will not merge or consolidate with or into any other Person or sell, assign, transfer, lease or convey all or substantially all of its properties and assets to any Person or group of affiliated Persons in one transaction or a series of related transactions, unless (i) either the Company shall be the continuing entity, or the successor (if other than the Company) shall be a Person, other than an individual, organized and existing under the laws of the United States of America or a State thereof or the District of Columbia and such entity shall expressly assume all the obligations of the Company under the Purchase Contracts, the Debt Securities, this Agreement, the Pledge Agreement, the Indenture and the Remarketing Agreement by one or more supplemental agreements in form reasonably satisfactory to the Agent and the Collateral Agent, executed and delivered to the Agent and the Collateral Agent by such Person, and (ii) the Company or such successor entity, as the case may be, shall not, immediately after such merger or consolidation, or such sale, assignment, transfer, lease or conveyance, be in default in its payment obligations or in any material default in the performance of any of its other obligations hereunder, or under any of the Debt Securities, the Securities, the Pledge Agreement, the Indenture or the Remarketing Agreement.

#### SECTION 9.2 RIGHTS AND DUTIES OF SUCCESSOR ENTITY.

In case of any such consolidation, merger, sale, assignment, transfer, lease or conveyance and upon any such assumption by a successor entity in accordance with Section 9.1, such successor entity shall succeed to and be substituted for the Company with the same effect as if it had been named herein as the Company. Such successor entity thereupon may cause to be signed, and may issue either in its own name or in the name of the Company any or all of the Certificates evidencing Securities issuable hereunder which theretofore shall not have been signed by the Company and delivered to the Agent; and, upon the order of such successor corporation, instead of the Company, and subject to all the terms, conditions and limitations in this Agreement prescribed, the Agent shall authenticate and execute on behalf of the Holders and deliver any Certificates which previously shall have been signed and delivered by the officers of the Company to the Agent for authentication and execution, and any Certificate evidencing Securities which such successor entity thereafter shall cause to be signed and delivered to the Agent for that purpose. All the Certificates so issued shall in all respects have the same legal rank and benefit under this Agreement as the Certificates theretofore or thereafter issued in accordance with the terms of this Agreement as though all of such Certificates had been issued at the date of the execution hereof.

In case of any such consolidation, merger, sale, assignment, transfer, lease or conveyance such change in phraseology and form (but not in substance) may be made in the Certificates evidencing Securities thereafter to be issued as may be appropriate.

#### SECTION 9.3 OPINION OF COUNSEL GIVEN TO AGENT.

The Agent, subject to Sections 7.1 and 7.3, shall receive an Opinion of Counsel as conclusive evidence that any such consolidation, merger, sale, assignment, transfer, lease or conveyance, and any such assumption, complies with the provisions of this Article and that all conditions precedent to the consummation of any such consolidation, merger, sale, assignment, transfer, lease or conveyance have been met.

### ARTICLE X

#### COVENANTS

##### SECTION 10.1 PERFORMANCE UNDER PURCHASE CONTRACTS.

The Company covenants and agrees for the benefit of the Holders from time to time of the Securities that it will duly and punctually perform its obligations under the Purchase Contracts in accordance with the terms of the Purchase Contracts and this Agreement.

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##### SECTION 10.2 MAINTENANCE OF OFFICE OR AGENCY.

The Company will maintain in the Borough of Manhattan, The City of New York an office or agency where Certificates may be presented or surrendered for acquisition of shares of Common Stock upon settlement of the Purchase Contracts on the Purchase Contract Settlement Date or Early Settlement or Cash Merger Early Settlement and for transfer of Collateral upon occurrence of a Termination Event, where Certificates may be surrendered for registration of transfer or exchange, for a Collateral Substitution or establishment of an Income PRIDES and where notices and demands to or upon the Company in respect of the Securities and this Agreement may be served. The Company will give prompt written notice to the Agent 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 Agent with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office, and the Company hereby appoints the Agent 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 Certificates 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 the Borough of Manhattan, The City of New York for such purposes. The Company will give prompt written notice to the Agent of any such designation or rescission and of any change in the location of any such other office or agency. The Company hereby designates as the place of payment for the Securities the Paying Office and appoints the Agent at its Paying Office as paying agent in such city.

##### SECTION 10.3 COMPANY TO RESERVE COMMON STOCK.

The Company shall at all times prior to the Purchase Contract Settlement Date reserve and keep available, free from preemptive rights, out of its authorized but unissued Common Stock the full number of shares of Common Stock issuable against tender of payment in respect of all Purchase



Contracts constituting a part of the Securities evidenced by Outstanding Certificates.

SECTION 10.4 COVENANTS AS TO COMMON STOCK.

The Company covenants that all shares of Common Stock which may be issued against tender of payment in respect of any Purchase Contract constituting a part of the Outstanding Securities will, upon issuance, be duly authorized, validly issued, fully paid and nonassessable.

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

GREAT PLAINS ENERGY INCORPORATED

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

BNY MIDWEST TRUST COMPANY,  
as Purchase Contract Agent and Trustee

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

EXHIBIT A

FORM OF INCOME PRIDES CERTIFICATE

THIS CERTIFICATE IS A GLOBAL CERTIFICATE WITHIN THE MEANING OF THE PURCHASE CONTRACT AGREEMENT (AS HEREINAFTER DEFINED) AND IS REGISTERED IN THE NAME OF THE CLEARING AGENCY OR A NOMINEE THEREOF. THIS CERTIFICATE MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A CERTIFICATE REGISTERED, AND NO TRANSFER OF THIS CERTIFICATE IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH CLEARING AGENCY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE PURCHASE CONTRACT AGREEMENT.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO., OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, AND ANY PAYMENT HEREON IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY A PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

No. 1 Cusip No. \_\_\_\_\_  
Number of Income PRIDES \_\_\_\_\_

GREAT PLAINS ENERGY INCORPORATED

% Income PRIDES

(\$25 Stated Amount)

This Income PRIDES Certificate certifies that Cede & Co. is the registered Holder of the number of Income PRIDES set forth above. Each Income PRIDES represents (a) a stock purchase contract of Great Plains Energy Incorporated, a Missouri corporation (the "Company") (as modified and supplemented and in effect from time to time, a "Purchase Contract") and (b) beneficial ownership of either (A) (i) a 1/40 beneficial ownership interest in \$1,000 principal amount of Senior Notes initially due February 2009 of the Company (the "Debt Securities") or (ii) on or after the Reset Date, an Applicable Ownership Interest in the Remarketing Treasury Portfolio, subject to the Pledge of such Debt Security or Applicable Ownership Interest in the Remarketing Treasury Portfolio by the Holder pursuant to the Pledge Agreement and, if the Reset Date occurs on a date that is not also a Payment Date, prior to the Payment Date next following the Reset Date, the right to receive the interest accrued on the 1/40 beneficial ownership in \$1,000 aggregate principal amount of Debt Securities from and including the Payment Date immediately preceding the Reset Date to but excluding the Reset Date or (B) on or after the occurrence of a Special Event Redemption prior to the Purchase Contract Settlement

Date, an Applicable Ownership Interest in the Special Event Treasury Portfolio, subject to the Pledge of such Applicable Ownership Interest in the Special Event Treasury Portfolio by the Holder pursuant to the Pledge Agreement. All capitalized terms used herein without definition herein shall have the meaning set forth in the Purchase Contract Agreement referred to below.

Pursuant to the Pledge Agreement, the Debt Securities or the appropriate Applicable Ownership Interest in the Treasury Portfolio, as the case may be, constituting part of each Income PRIDES evidenced hereby have been pledged to the Collateral Agent, for the benefit of the Company, to secure the obligations of the Holder under the Purchase Contract comprising a portion of such Income PRIDES.

The Pledge Agreement provides that all payments of the principal amount of Pledged Debt Securities or the Stated Amount of the Pledged Applicable Ownership Interest (as specified in clause (1) of the definition of such term) in the appropriate Treasury Portfolio, as the case may be, or payments of interest on any Pledged Debt Securities or the Pledged Applicable Ownership Interest in the appropriate Treasury Portfolio, as the case may be, constituting part of the Income PRIDES received by the Collateral Agent shall be paid by the Collateral Agent by wire transfer in same day funds (i) in the case of (A) payments of interest with respect to Pledged Debt Securities or cash distributions on the pledged Applicable Ownership Interest (as specified in clauses (1)(ii), (1)(iii) or (2)(ii) of the definition of Applicable Ownership Interest) in the appropriate Treasury Portfolio, as the case may be, and (B) any payments of the principal amount of pledged Debt Securities or the Stated Amount of the Pledged Applicable Ownership Interest (as specified in clauses (1)(i) or (2)(i) of the definition of Applicable Ownership Interest) in the appropriate Treasury Portfolio, as the case may be, with respect to any Debt Securities or the Applicable Ownership Interest in the appropriate Treasury Portfolio, as the case may be, that have been released from the Pledge pursuant to the Pledge Agreement, to the Agent to the account designated by the Agent, no later than 2:00 p.m., New York City time, on the Business Day such payment is received by the Collateral Agent (provided that in the event such payment is received by the Collateral Agent on a day that is not a Business Day or after 12:30 p.m., New York City time, on a Business Day, then such payment shall be made no later than 10:30 a.m., New York City time, on the next succeeding Business Day) and (ii) in the case of payments of the principal amount of Debt Securities or the Applicable Ownership Interest (as specified in clauses (1)(i) or (2)(i) of the definition of such term) in the appropriate Treasury Portfolio, as the case may be, to be paid upon settlement of an Income PRIDES Holder's obligations to purchase Common Stock under the Purchase Contract, to the Company on the Purchase Contract Settlement Date (as defined herein) in accordance with the terms of the Pledge Agreement, in full satisfaction of the respective obligations of the Holders of the Income PRIDES of which such Pledged Debt Securities or the Pledged Applicable Ownership Interest in the appropriate Treasury Portfolio, as the case may be, are a part under the Purchase Contracts forming a part of such Income PRIDES. Payment of interest on any Pledged Debt Securities or cash distributions on the Pledged Applicable Ownership Interest (as specified in clauses (1)(ii), 1(iii) or (2)(ii) of the definition of Applicable Ownership Interest) in the appropriate Treasury Portfolio, as the case may be, forming part of an Income PRIDES evidenced hereby which are payable quarterly in arrears on February 16, May 16, August 16 and November 16 of each year, commencing \_\_\_\_\_, 2004 (each a "Payment Date"), shall, subject to receipt thereof by the Agent from the Collateral Agent, be paid to the Person in whose name this Income PRIDES Certificate (or a Predecessor Income PRIDES Certificate) is registered at the close of business on the Record Date for such

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Payment Date. If the Debt Securities are successfully remarketed pursuant to the Remarketing Agreement and the Reset Date is not a Payment Date, any interest paid with respect to the Pledged Debt Securities on such Reset Date shall be received by the Collateral Agent and held in a non-interest bearing account, until payment to the Agent for the benefit of Holders is made on the Payment Date next following such Reset Date or on such earlier date falling prior to the Record Date related to the next succeeding Payment Date or on such earlier date as (1) Income PRIDES are transformed into Growth PRIDES by the Holder establishing Growth PRIDES or (2) Income PRIDES are settled early by the Holder.

Each Purchase Contract evidenced hereby obligates the Holder of this Income PRIDES Certificate to purchase, and the Company to sell, not later than February 16, 2007 (the "Purchase Contract Settlement Date"), at a price of \$25 in cash (the "Purchase Price"), a number of newly-issued shares of Common Stock, without par value including, where applicable, the preference stock purchase rights appurtenant thereto ("Common Stock"), of the Company equal to the applicable Settlement Rate (as defined below), unless on or prior to the Purchase Contract Settlement Date there shall have occurred a Termination Event or an Early Settlement or Cash Merger Early Settlement with respect to the Income PRIDES of which such Purchase Contract is a part, all as provided in the Purchase Contract Agreement and more fully described on the herein.

The "Settlement Rate" is equal to (a) if the Applicable Market Value (as defined below) is equal to or greater than \$\_\_\_\_\_ (the "Threshold Appreciation Price"), \_\_\_\_\_ shares of Common Stock per Purchase Contract, (b) if the Applicable Market Value is less than the Threshold Appreciation Price, but is greater than \$\_\_\_\_\_ (the "Reference Price"), the number of shares of Common Stock per Purchase Contract equal to \$25 divided by the Applicable Market Value and (c) if the Applicable Market Value is less than or equal to the Reference Price, \_\_\_\_\_ shares of Common Stock per Purchase Contract, in each case subject to adjustment as provided in the Purchase Contract Agreement (and in each case rounded upward or downward to the nearest 1/10,000th of a share). No fractional shares of Common Stock will be issued upon settlement of Purchase Contracts, as provided in the Purchase Contract Agreement.

The Company shall pay, on each Payment Date in respect of each Purchase Contract forming part of an Income PRIDES evidenced hereby, an amount (the "Contract Adjustment Payments") equal to \_\_\_\_\_% per annum of the Stated Amount, computed on the basis of a 360-day year consisting of twelve 30-day months, subject to deferral at the option of the Company as provided in the Purchase Contract Agreement and more fully described herein. Such Contract Adjustment Payments shall be payable to the Person in whose name this Income PRIDES Certificate (or a Predecessor Income PRIDES Certificate or a Predecessor Growth PRIDES Certificate) is registered on the Register at the close of business on the Record Date for such Payment Date.

Contract Adjustment Payments will be payable at the Paying Office or, at the option of the Company, by check mailed to the address of the Person entitled thereto at such Person's address as it appears on the Income PRIDES Register or by wire transfer to an account appropriately designated in writing by the Person entitled to payment.

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Unless the context otherwise requires, each provision of this Security shall be part of the Purchase Contracts evidenced hereby. This Security and each Purchase Contract evidenced hereby is governed by a Purchase Contract Agreement, dated as of \_\_\_\_\_, 2004 (as amended or supplemented from time to time, the "Purchase Contract Agreement"), between the Company and \_\_\_\_\_, as purchase contract agent (including any successor thereunder, herein called the "Agent"), to which Purchase Contract Agreement and supplemental agreements thereto reference is hereby made for a description of the respective rights, limitations of rights, obligations, duties and immunities thereunder of the Agent, the Company, and the Holders and of the terms upon which the Income PRIDES Certificates are, and are to be, executed and delivered.

Each Purchase Contract evidenced hereby, which is settled either through Early Settlement, Cash Merger Early Settlement or Cash Settlement, shall obligate the Holder of the related Income PRIDES to purchase at the applicable Purchase Price, and the Company to sell, a number of newly issued

shares of Common Stock equal to the Early Settlement Rate or the applicable Settlement Rate, as the case may be.

The "Applicable Market Value," with respect to settlement of a Purchase Contract, means the average of the Closing Price per share of Common Stock on each of the 20 consecutive Trading Days ending on the third Trading Day immediately preceding the Purchase Contract Settlement Date or, in the event of a Cash Merger, ending on the third Trading Day immediately preceding the consummation of the Cash Merger. The "Closing Price" of the Common Stock on any date of determination means the closing sale price (or, if no closing price is reported, the last reported sale price) of the Common Stock on the New York Stock Exchange (the "NYSE") on such date or, if the Common Stock is not listed for trading on the NYSE on any such date, as reported in the composite transactions for the principal United States national or regional securities exchange on which the Common Stock is so listed. If the Common Stock is not so listed on a United States national or regional securities exchange, the Closing Price means the last sale price of the Common Stock as reported by the NASDAQ Stock Market, or if the Common Stock is not so reported, the last quoted bid price for the Common Stock in the over-the-counter market as reported by the National Quotation Bureau or similar organization. If such bid price is not available, the Closing Price means market value of the Common Stock on such date as determined by a nationally recognized independent investment banking firm retained by the Company for this purpose. A "Trading Day" means a day on which the Common Stock (A) is not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business and (B) has traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of the Common Stock.

In accordance with the terms of the Purchase Contract Agreement, the Holder of the Income PRIDES evidenced hereby shall pay, on the Purchase Contract Settlement Date, the applicable Purchase Price for the shares of Common Stock purchased pursuant to each Purchase Contract evidenced hereby by effecting a Cash Settlement (unless the Holder shall have previously effected an Early Settlement or a Cash Merger Early Settlement). A Holder of Income PRIDES who does not make such payment in accordance with the Purchase Contract Agreement or who does not notify the Agent of such Holder's intention, on or prior to 5:00 p.m., New York City time, on the seventh (or if the Applicable Ownership Interest in a Treasury Portfolio has replaced the Debt Securities as components of Income PRIDES, the second)

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Business Day immediately preceding the Purchase Contract Settlement Date (unless the Holder shall have previously effected an Early Settlement or a Cash Merger Early Settlement) shall have defaulted in its obligations under the related Purchase Contract and the Collateral Agent shall exercise its rights as a secured creditor for the benefit of the Company under the Purchase Contract Agreement and the Pledge Agreement and shall apply the Proceeds of the sale of the related applicable Pledged Debt Securities held by the Collateral Agent to satisfy the Holder's obligations under such Purchase Contract to purchase Common Stock at the Purchase Price.

The Company shall not be obligated to issue any shares of Common Stock in respect of the Purchase Contract on the Purchase Contract Settlement Date or deliver any certificates therefor to the Holder unless it shall have received payment in full of the aggregate Purchase Price for the shares of Common Stock to be purchased thereunder in the manner set forth in the Purchase Contract Agreement.

Under and subject to the terms of the Pledge Agreement and the Purchase Contract Agreement, the Agent will be entitled to exercise the voting and any other consensual rights pertaining to the Pledged Debt Securities, but only to the extent instructed by the Holders as described in the paragraph below. Upon receipt of notice of any meeting at which holders of Debt Securities are entitled to vote or upon the solicitation of consents, waivers or proxies of holders of Debt Securities, the Agent shall, as soon as practicable thereafter, mail to the Holders of Income PRIDES a notice (a) containing such information as is contained in the notice or solicitation, (b) stating that each Income PRIDES Holder on the record date set by the Agent therefor shall be entitled to instruct the Agent as to the exercise of the voting rights pertaining to the Debt Securities constituting a part of such Holder's Income PRIDES and (c) stating the manner in which such instructions may be given. Upon the written request of the Income PRIDES Holders on such record date, the Agent shall endeavor insofar as practicable to vote or cause to be voted, in accordance with the instructions set forth in such requests, the maximum number of Debt Securities as to which any particular voting instructions are received. In the absence of specific instructions from the Holder of an Income PRIDES, the Agent shall abstain from voting any Debt Securities evidenced by such Income PRIDES.

Upon the occurrence of a Special Event Redemption prior to the Purchase Contract Settlement Date, the Redemption Price payable on the Special Event Redemption Date with respect to the Applicable Principal Amount of Debt Securities shall be delivered to the Collateral Agent in redemption of the Pledged Debt Securities. Pursuant to the terms of the Pledge Agreement, the Collateral Agent will apply an amount equal to the Redemption Amount of such Redemption Price to purchase on behalf of the Holders of Income PRIDES the Special Event Treasury Portfolio and promptly remit the remaining portion of such Redemption Price, if any, to the Agent for payment to the Holders of such Income PRIDES. The Special Event Treasury Portfolio will be substituted for the Pledged Debt Securities, and will be held by the Collateral Agent in accordance with the terms of the Pledge Agreement to secure the obligation of each Holder of an Income PRIDES to purchase the Common Stock of the Company on the Purchase Contract Settlement Date under the Purchase Contract constituting a part of such Income PRIDES. Following the occurrence of a Special Event Redemption prior to the Purchase Contract Settlement Date, the Holders of Income PRIDES and the Collateral Agent shall have such security interests, rights and obligations with respect to the Special Event Treasury Portfolio as the Holder of Income PRIDES and the Collateral Agent had in respect of the Debt Securities

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subject to the Pledge thereof as provided in Articles II, III, IV, V and VI of the Pledge Agreement, and any reference herein to the Pledged Debt Securities shall be deemed to be reference to such Special Event Treasury Portfolio. The Company may cause to be made in any Income PRIDES Certificates thereafter to be issued such change in phraseology and form (but not in substance) as may be appropriate to reflect the substitution of the Special Event Treasury Portfolio for Debt Securities as collateral.

Upon the successful remarketing of the Pledged Debt Securities on a Remarketing Date, the proceeds of such remarketing (after deducting any Remarketing Fee) shall be delivered to the Collateral Agent in exchange for the Pledged Debt Securities. Pursuant to the terms of the Pledge Agreement, the Collateral Agent will apply an amount equal to the Remarketing Treasury Portfolio Purchase Price to purchase on behalf of the Holders of Income PRIDES on the Reset Date the Remarketing Treasury Portfolio and promptly remit the remaining portion of such proceeds to the Agent for payment to the Holders of such Income PRIDES. The Remarketing Treasury Portfolio will be substituted for the outstanding Pledged Debt Securities, and will be held by the Collateral Agent in accordance with the terms of the Pledge Agreement to secure the obligation of each Holder of an Income PRIDES to

purchase the Common Stock of the Company on the Purchase Contract Settlement Date under the Purchase Contract constituting a part of such Income PRIDES. Following the successful remarketing of the Pledged Debt Securities on a Remarketing Date, the Holders of Income PRIDES and the Collateral Agent shall have such security interests, upon the substitution of the Treasury Portfolio rights and obligations with respect to the Remarketing Treasury Portfolio as the Holder of Income PRIDES and the Collateral Agent had in respect of the Debt Securities subject to the Pledge thereof as provided in Articles II, III, IV, V and VI of the Pledge Agreement, and any reference herein to the Debt Securities shall be deemed to be reference to such Remarketing Treasury Portfolio. The Company may cause to be made in any Income PRIDES Certificates thereafter to be issued such change in phraseology and form (but not in substance) as may be appropriate to reflect the substitution of the Remarketing Treasury Portfolio for Debt Securities as collateral.

The Income PRIDES are issuable only in registered form and only in denominations of a single Income PRIDES and any integral multiple thereof. The transfer of any Income PRIDES Certificate will be registered and Income PRIDES Certificates may be exchanged as provided in the Purchase Contract Agreement. The Income PRIDES Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents permitted by the Purchase Contract Agreement. No service charge shall be required for any such registration of transfer or exchange, but the Company and the Agent may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Subject to the last sentence of this paragraph, a Holder of an Income PRIDES may, at any time on or prior to the seventh Business Day immediately preceding the Purchase Contract Settlement Date, create or recreate a Growth PRIDES and separate the Debt Security or the Applicable Ownership Interest in the appropriate Treasury Portfolio, as applicable, from the related Purchase Contract in respect of such Income PRIDES by substituting the appropriate Treasury Security for the Debt Security, or the Applicable Ownership Interest in the appropriate Treasury Portfolio, that form a part of such Income PRIDES in accordance with the Purchase Contract Agreement; provided, however, that if a successful remarketing of the Debt Securities has occurred on a Remarketing Date or a Special Event Redemption has occurred, Holders of

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such Income PRIDES may make such Collateral Substitutions at any time on or prior to the second Business Day immediately preceding the Purchase Contract Settlement Date. Holders may make Collateral Substitutions and establish Growth PRIDES (i) only in integral multiples of 40 Income PRIDES if only Debt Securities are being substituted by Treasury Securities, or (ii) only in integral multiples of \_\_\_\_\_ Income PRIDES (or such other number of Income PRIDES as may be determined by the Remarketing Agent or the Quotation Agent following a successful remarketing of the Debt Securities or a Special Event Redemption, respectively, if the Reset Date or the Special Event Redemption Date, as the case may be, is not an Interest Payment Date) if the Applicable Ownership Interests in the appropriate Treasury Portfolio are being substituted by Treasury Securities. To create (x) 40 Growth PRIDES (if a Special Event Redemption has not occurred and the Debt Securities remain a component of the Income PRIDES and), or (y) \_\_\_\_\_ Growth PRIDES or such other number of Growth PRIDES as may be determined by the Remarketing Agent or the Quotation Agent following a successful remarketing of the Debt Securities or a Special Event Redemption, respectively, if the Reset Date or the Special Event Redemption Date, as the case may be, is not an Interest Payment Date (if a Special Event Redemption has occurred or the Remarketing Treasury Portfolio has replaced the Debt Securities as a component of the Income PRIDES as a result of a successful remarketing of such Debt Securities), the Income PRIDES Holder shall

(a) if a Treasury Portfolio has not replaced any Debt Securities as a component of Income PRIDES as a result of a successful remarketing of the Debt Securities on a Remarketing Date or a Special Event Redemption, deposit with the Collateral Agent a Treasury Security having a principal amount at maturity of \$1,000; or

(b) if a Treasury Portfolio has replaced the Debt Securities as a component of Income PRIDES as a result of a successful remarketing of the Debt Securities on a Remarketing Date or a Special Event Redemption, on or prior to the second Business Day immediately preceding the Purchase Contract Settlement Date, deposit with the Collateral Agent Treasury Securities having an aggregate principal amount at maturity of \$ \_\_\_\_\_ (or \$25 multiplied by such number of Income PRIDES as may be determined by the Remarketing Agent or the Quotation Agent as described in clause (ii) above); and

(c) in each case, transfer and surrender the related 40 Income PRIDES, or, in the event a Treasury Portfolio is a component of Income PRIDES, \_\_\_\_\_ Income PRIDES (or such other number of Income PRIDES as may be determined by the Remarketing Agent or the Quotation Agent following a successful remarketing of the Debt Securities or a Special Event Redemption, respectively, if the Reset Date or the Special Event Redemption Date, as the case may be, is not an Interest Payment Date), to the Agent accompanied by a notice to the Agent, substantially in the form of Exhibit B to the Pledge Agreement, stating that the Holder has transferred the relevant types and amounts of Treasury Securities to the Collateral Agent and requesting that the Agent instruct the Collateral Agent to release the applicable Debt Securities or the Applicable Ownership Interest in the appropriate Treasury Portfolio, as the case may be, underlying such Income PRIDES, whereupon the Agent shall promptly give such instruction to the Collateral Agent, substantially in the form of Exhibit A to the Pledge Agreement.

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Unless a successful remarketing of the Debt Securities or a Special Event Redemption has previously occurred, Holders of Income PRIDES shall not be permitted to effect Collateral Substitutions in accordance with the provisions of the Purchase Contract Agreement during the period commencing on and including the Business Day prior to the first of the three sequential Remarketing Dates comprising a Three-Day Remarketing Period and ending on and including the Reset Date relating to a successful remarketing or, if none of the remarketings during such Three-Day Remarketing Period is successful, the Business Day following the last of the three sequential Remarketing Dates occurring during such Three-Day Remarketing Period.

Upon receipt of the Treasury Securities described in clause (a) or (b) above and the instructions described in clause (c) above, in accordance with the terms of the Pledge Agreement, the Collateral Agent will release from the Pledge, to the Agent, on behalf of the Holder, Debt Securities or the Applicable Ownership Interest in the appropriate Treasury Portfolio, as the case may be, that had been components of such Income PRIDES, free and clear of the Company's security interest therein, and upon receipt thereof the Agent shall promptly:

(i) cancel the related Income PRIDES surrendered and transferred;

(ii) transfer the Debt Securities or the Applicable Ownership Interest in the appropriate Treasury Portfolio, as the case may be, that had been components of such Income PRIDES to the Holder;

(iii) if the Growth PRIDES are established following a Reset Date which is not also a Payment Date but prior to the close of business on the Record Date relating to the Payment Date next succeeding such Reset Date, pay to the Holder in accordance with the provisions of Section 4.1 of the Purchase Contract Agreement the interest accrued on the Debt Securities that had been components of such Income PRIDES from the Interest Payment Date preceding such Reset Date to but excluding such Reset Date; and

(iv) authenticate, execute on behalf of such Holder and deliver a Growth PRIDES Certificate executed by the Company in accordance with the Purchase Contract Agreement evidencing the same number of Purchase Contracts as were evidenced by the cancelled Income PRIDES.

Holders who elect to separate the Debt Securities or the Applicable Ownership Interest in the appropriate Treasury Portfolio, as the case may be, from the related Purchase Contracts and to substitute Treasury Securities for such Debt Securities or the Applicable Ownership Interest in the appropriate Treasury Portfolio, as the case may be, shall be responsible for any fees or expenses payable to the Collateral Agent for its services as Collateral Agent in respect of the substitution, and the Company shall not be responsible for any such fees or expenses.

A Holder of a Growth PRIDES may create or recreate an Income PRIDES by depositing with the Collateral Agent a Debt Security or the Applicable Ownership Interest in the appropriate Treasury Portfolio, as the case may be, having an aggregate principal amount equal to the aggregate principal amount at maturity of, and in substitution for all, but not less than all, of the Treasury Securities comprising part of the Growth PRIDES in exchange for the release of such

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Pledged Treasury Securities in accordance with the terms of the Purchase Contract Agreement and the Pledge Agreement.

Subject to the next succeeding paragraph, the Company shall pay, on each Payment Date, the Contract Adjustment Payments payable in respect of each Purchase Contract to the Person in whose name the Income PRIDES Certificate evidencing such Purchase Contract is registered on the Register at the close of business on the Record Date next preceding such Payment Date. The Contract Adjustment Payments will be payable at the Paying Office or, at the option of the Company, by check mailed to the address of the Person entitled thereto at such address as it appears on the Income PRIDES Register or by wire transfer to an account appropriately designated in writing by such person.

The Company shall have the right, at any time prior to the Purchase Contract Settlement Date, to defer the payment of any or all of the Contract Adjustment Payments otherwise payable on any Payment Date, but only if the Company shall give the Holders and the Agent written notice of its election to defer such payment (specifying the amount to be deferred) as provided in the Purchase Contract Agreement. Any Contract Adjustment Payments so deferred shall bear additional Contract Adjustment Payments thereon at the rate of \_\_\_\_\_% per annum (computed on the basis of a 360-day year of twelve 30-day months), compounding on each succeeding Payment Date, until paid in full (such deferred installments of Contract Adjustment Payments, if any, together with the additional Contract Adjustment Payments accrued thereon, are referred to herein as the "Deferred Contract Adjustment Payments"). Deferred Contract Adjustment Payments, if any, shall be due on the next succeeding Payment Date except to the extent that payment is deferred pursuant to the Purchase Contract Agreement. No Contract Adjustment Payments may be deferred to a date that is after the Purchase Contract Settlement Date.

In the event that the Company elects to defer the payment of Contract Adjustment Payments on the Purchase Contracts until the Purchase Contract Settlement Date, the Holder of this Income PRIDES Certificate will receive on the Purchase Contract Settlement Date, in lieu of a cash payment, a number of shares of Common Stock (in addition to the number of shares equal to the Settlement Rate) equal to (x) the aggregate amount of Deferred Contract Adjustment Payments payable to the Holder of this Income PRIDES Certificate divided by (y) the Applicable Market Value.

In the event the Company exercises its option to defer the payment of Contract Adjustment Payments, then, until the Deferred Contract Adjustment Payments have been paid, neither the Company nor any of its subsidiaries shall declare or pay dividends on, make distributions with respect to, or redeem, purchase or acquire, or make a liquidation payment with respect to, any of the Company's capital stock or make guarantee payments with respect to any of the Company's capital stock other than (i) redemptions, purchases or acquisitions of capital stock of the Company in connection with the satisfaction by the Company in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or agents or a stock purchase or dividend reinvestment plan, or the satisfaction by the Company of its obligations pursuant to any contract or security outstanding on the date of such event requiring the Company to redeem, purchase or acquire its capital stock, (ii) as a result of a reclassification of the Company's capital stock or the exchange or conversion of all or a portion of one class or series of the Company's capital stock for another class or series of

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the Company's capital stock, (iii) the purchase of fractional interests in shares of the Company's capital stock pursuant to the conversion or exchange provisions of the Company's capital stock or the security being converted or exchanged, (iv) dividends or distributions in capital stock of the Company (or rights to acquire capital stock of the Company), or repurchases, redemptions or acquisitions of capital stock in connection with the issuance or exchange of capital stock of the Company (or securities convertible into or exchangeable for shares of the Company's capital stock) or (v) redemptions,

exchanges or repurchases of any rights outstanding under a shareholder rights plan of the Company or payment thereunder of a dividend or distribution of or with respect to rights in the future.

The Company's obligations with respect to Contract Adjustment Payments (including any accrued or Deferred Contract Adjustment Payments), will be subordinated and junior in right of payment to the Company's obligations under any Senior Indebtedness. Upon any payment or distribution of the Company's assets to its creditors upon any dissolution, winding up, liquidation or reorganization, whether voluntary or involuntary, or in bankruptcy, insolvency, receivership or other similar proceedings, the holders of all Senior Indebtedness shall first be entitled to receive payment in full of all amounts due or to become due thereon, or payment of such amounts shall have been provided for, before the Holders of the Securities shall be entitled to receive any Contract Adjustment Payments.

No payment of Contract Adjustment Payments may be made if (i) any payment default on any Senior Indebtedness has occurred and is continuing beyond any applicable grace period; or (ii) any default other than a payment default with respect to Senior Indebtedness occurs and is continuing that permits the acceleration of the maturity thereof and the Agent receives a written notice of such default from the Company or the holders of such Senior Indebtedness.

The Purchase Contracts and all obligations and rights of the Company and the Holders thereunder, including, without limitation, the rights of the Holders to receive and the obligation of the Company to pay any Contract Adjustment Payments or any Deferred Contract Adjustment Payments, and the rights and obligations of the Holders to purchase Common Stock, shall immediately and automatically terminate, without the necessity of any notice or action by any Holder, the Agent or the Company, if, on or prior to the Purchase Contract Settlement Date, a Termination Event shall have occurred. Upon the occurrence of a Termination Event, the Company shall promptly but in no event later than two Business Days thereafter give written notice to the Agent, the Collateral Agent and to the Holders, at their addresses as they appear in the Income PRIDES Register. Upon and after the occurrence of a Termination Event, the Collateral Agent shall release the Debt Securities or the Applicable Ownership Interest in the appropriate Treasury Portfolio, as the case may be, forming a part of the Income PRIDES evidenced hereby from the Pledge in accordance with the provisions of the Pledge Agreement.

Subject to and upon compliance with the provisions of the Purchase Contract Agreement, a Holder of Income PRIDES may settle the related Purchase Contracts in their entirety at any time on or prior to the seventh Business Day immediately preceding the Purchase Contract Settlement Date, but only in integral multiples of 40 Income PRIDES; provided, however, that if a Treasury Portfolio has become a component of the Income PRIDES, Holders of Income PRIDES may settle early only in integral multiples of \_\_\_\_\_ Income PRIDES (or such other number of Income PRIDES as may be determined by the Remarketing Agent or the Quotation Agent

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following a successful remarketing of the Debt Securities or a Special Event Redemption, respectively, if the Reset Date or the Special Event Redemption Date, as the case may be, is not an Interest Payment Date) at any time on or prior to the second Business Day immediately preceding the Purchase Contract Settlement Date; provided further that unless a successful remarketing or a Special Event Redemption shall have previously occurred, Holders of Income PRIDES shall not be permitted to effect Early Settlement during the period commencing on and including the Business Day prior to the first of the three sequential Remarketing Dates comprising a Three-Day Remarketing Period and ending on and including the Reset Date relating to a successful remarketing or, if none of the remarketings during such Three-Day Remarketing Period is successful, the Business Day following the last of the three sequential Remarketing Dates occurring during such Three-Day Remarketing Period. The right to Early Settlement is subject to there being in effect, if so required under Federal securities laws, a registration statement covering the shares of Common Stock to be delivered in respect of the Purchase Contracts being settled (it being understood that, if so required under Federal securities laws, the Company shall use commercially reasonable efforts to (1) cause such a registration statement to become effective and (2) provide a prospectus in connection therewith, in each case, in a form appropriate for Early Settlements). In order to exercise the right to effect any such early settlement ("Early Settlement") with respect to any Purchase Contracts evidenced by this Income PRIDES Certificate, the Holder of this Income PRIDES Certificate shall deliver this Income PRIDES Certificate to the Agent at the Corporate Trust Office duly endorsed for transfer to the Company or in blank with the form of Election to Settle Early set forth below duly completed and executed and accompanied by payment payable to the Company in immediately available funds in an amount (the "Early Settlement Amount") equal to the sum of (i) \$25 times the number of Purchase Contracts being settled, plus (ii) if such delivery is made with respect to any Purchase Contracts during the period from the close of business on any Record Date next preceding any Payment Date to the opening of business on such Payment Date, an amount equal to the Contract Adjustment Payments payable, if any, on such Payment Date with respect to such Purchase Contracts. Upon Early Settlement of Purchase Contracts by a Holder of the related Securities, the Pledged Debt Securities or the Pledged Applicable Ownership Interest in the a Treasury Portfolio underlying such Securities shall be released from the Pledge as provided in the Pledge Agreement and the Holder shall be entitled to receive a number of shares of Common Stock on account of each Purchase Contract forming part of an Income PRIDES as to which Early Settlement is effected equal to the Early Settlement Rate which shall be equal to \_\_\_\_\_ newly issued shares of Common Stock per Purchase Contract (the "Early Settlement Rate") and, in connection with an Early Settlement to be effected following a Reset Date which is not also a Payment Date but prior to the Record Date relating to the Payment Date next succeeding such Reset Date, cash in an amount equal to the interest accrued on the Debt Securities comprising a component of the Income PRIDES subject to Early Settlement for the period commencing on the Interest Payment Date preceding the Reset Date to but excluding the Reset Date; provided however, that upon the Early Settlement of the Purchase Contracts, (i) the Holder thereof will forfeit the right to receive any Deferred Contract Adjustment Payments, if any, on such Purchase Contracts, (ii) the Holder's right to receive additional Contract Adjustment Payments in respect of such Purchase Contracts will terminate, and (iii) no adjustment will be made to or for the Holder on account of Deferred Contract Adjustment Payments, or any amount accrued in respect of Contract Adjustment Payments. The Early Settlement Rate shall be adjusted in the same manner and at the same time as the Settlement Rate, by virtue of adjustments to the Threshold

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Appreciation Price and the Reference Price, is adjusted as provided in the Purchase Contract Agreement. As promptly as practicable after Early Settlement of Purchase Contracts in accordance with the Purchase Contract Agreement, the Company shall issue and shall deliver to the Agent at the Corporate Trust Office a certificate or certificates for the full number of shares of Common Stock issuable upon such Early Settlement together with payment in lieu of any fraction of a share, as provided in the Purchase Contract Agreement.

Subject to and upon compliance with the provisions of the Purchase Contract Agreement, if, prior to the Purchase Contract Settlement Date, (i) the Company merges with or into another entity, (ii) the Common Stock is converted, exchanged, reclassified or cancelled in such merger, and (iii) at least 30% of the consideration received by the Company's shareholders for its Common Stock in such merger consists of cash or cash equivalents (a "Cash

Merger"), then each Holder of Securities shall have the right to settle the Purchase Contract at the Settlement Rate in effect immediately before the Cash Merger (a "Cash Merger Early Settlement"). The right to Cash Merger Early Settlement is subject to there being in effect, if so required under Federal securities laws, a registration statement covering the securities to be delivered in respect of the Purchase Contracts being settled (it being understood that, if so required under Federal securities laws, the Company shall use commercially reasonable efforts to (1) cause such a registration statement to become effective and (2) provide a prospectus in connection therewith, in each case, in a form appropriate for Early Settlements). Upon Cash Merger Early Settlement, (x) the Holder's rights to receive Deferred Contract Adjustment Payments, if any, on the Purchase Contracts being settled will be forfeited, (y) the Holder's right to receive additional Contract Adjustment Payments in respect of such Purchase Contracts will terminate and (z) no adjustment will be made to or for the Holder on account of Deferred Contract Adjustment Payments, or any amount accrued in respect of Contract Adjustment Payments. The Company shall provide each of the Holders with a notice of the consummation of the Cash Merger within five Business Days after the consummation thereof. Such notice will specify, among other things, the "Cash Merger Early Settlement Date," which shall be 10 Business Days after the date of such notice, and the amount of the cash, securities and other consideration receivable by each Holder upon a Cash Merger Early Settlement. To exercise a Cash Merger Early Settlement, a Holder shall deliver, present and surrender this Income PRIDES Certificate duly endorsed for transfer to the Company in blank at the offices of the Agent, accompanied by payment to the Company in immediately available funds of an amount equal to (I) \$25 multiplied by (II) the number of Purchase Contracts being settled, plus (III) if such delivery is made with respect to any Purchase Contracts during the period from the close of business on any Record Date next preceding any Payment Date to the opening of business on such Payment Date, an amount equal to the Contract Adjustment Payments payable on such Payment Date with respect to such Purchase Contracts (provided that such payment shall not be required if the Company has elected to defer the Contract Adjustment Payments which would otherwise be payable on the Payment Date), no later than 5:00 p.m., New York City time, on the Business Day immediately preceding the Cash Merger Early Settlement Date. In connection with a Cash Merger Early Settlement to be effected following a Reset Date which is not also a Payment Date but prior to the Record Date relating to the Payment Date next succeeding such Reset Date, the Holder shall be entitled to receive from the Agent cash in an amount equal to the interest accrued on the Debt Securities comprising a component of the Income PRIDES subject to Cash Merger Early Settlement for the period commencing on the Interest Payment Date preceding the Reset Date to but excluding the Reset Date. Except as provided in the immediately preceding sentence and subject to the second

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to last paragraph of Section 5.2 of the Purchase Contract Agreement, no payment or adjustment shall be made upon Early Settlement of any Purchase Contract on account of any Contract Adjustment Payments accrued on such Purchase Contract or on account of any dividends on the Common Stock issued upon such Early Settlement. Upon a Cash Merger Early Settlement, the Pledged Debt Securities or the Pledged Applicable Ownership Interest in a Treasury Portfolio underlying the Securities being settled shall be released from the Pledge as provided in the Pledge Agreement and the Company will deliver, or cause to be delivered, to Holders duly exercising a Cash Merger Early Settlement on the Cash Merger Early Settlement Date the kind and amount of securities, cash or other property that such Holders would have been entitled to receive if they had settled the Purchase Contracts immediately before the Cash Merger at the Settlement Rate in effect at such time.

Upon registration of transfer of this Income PRIDES Certificate, the transferee shall be bound (without the necessity of any other action on the part of such transferee, except as may be required by the Agent pursuant to the Purchase Contract Agreement), under the terms of the Purchase Contract Agreement and the Purchase Contracts evidenced hereby and the transferor shall be released from the obligations under the Purchase Contracts evidenced by this Income PRIDES Certificate. The Company covenants and agrees, and the Holder, by its acceptance hereof, likewise covenants and agrees, to be bound by the provisions of this paragraph.

The Holder of this Income PRIDES Certificate, by its acceptance hereof, irrevocably authorizes the Agent to enter into and perform the related Purchase Contracts forming part of the Income PRIDES evidenced hereby on its behalf as its attorney-in-fact, expressly withholds any consent to the assumption (i.e., affirmation) of the Purchase Contracts by the Company, its trustee in bankruptcy, receiver, liquidator or a person or entity performing similar functions, in the event that the Company becomes the subject of a case under the Bankruptcy Code or subject to other similar Federal or State law providing for reorganization or liquidation, agrees to be bound by the terms and provisions thereof, covenants and agrees to perform its obligations under such Purchase Contracts, consents to the provisions of the Purchase Contract Agreement, authorizes the Agent to enter into and perform the Pledge Agreement on its behalf as its attorney-in-fact, and consents to and agrees to be bound by the Pledge of the Pledged Debt Securities or the Pledged Applicable Ownership Interest in a Treasury Portfolio, as the case may be, underlying this Income PRIDES Certificate pursuant to the Pledge Agreement. The Holder, by its acceptance hereof, further covenants and agrees, that, to the extent and in the manner provided in the Purchase Contract Agreement and the Pledge Agreement, but subject to the terms thereof, payments in respect of the principal of the Pledged Debt Securities, or the portion of the Applicable Ownership Interest (as specified in clauses (1)(i) or 2(i) of the definition of such term) in the appropriate Treasury Portfolio, on the Purchase Contract Settlement Date shall be paid by the Collateral Agent to the Company in satisfaction of such Holder's obligations under such Purchase Contract and such Holder shall acquire no right, title or interest in such payments.

The Holder of this Income PRIDES Certificate, by its acceptance hereof, covenants and agrees to treat itself as the owner, for United States federal, state and local income and franchise tax purposes, of the Debt Securities or the Applicable Ownership Interest in the appropriate Treasury Portfolio forming part of the Income PRIDES evidenced hereby. The Holder of this Income PRIDES Certificate, by its acceptance hereof, further covenants and agrees to treat the

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Debt Securities forming part of the Income PRIDES evidenced hereby as indebtedness of the Company for United States federal, state and local income and franchise tax purposes.

Subject to certain exceptions, the provisions of the Purchase Contract Agreement may be amended with the consent of the Holders of a majority of the Purchase Contracts. In addition, certain amendments to the Purchase Contract Agreement may be made without any consent of the Holders as provided in the Purchase Contract Agreement.

THE PURCHASE CONTRACTS SHALL FOR ALL PURPOSES BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

The Company and the Agent and any agent of the Company or the Agent may treat the Person in whose name this Income PRIDES Certificate is registered on the Income PRIDES Register as the owner of the Income PRIDES evidenced hereby for the purpose of receiving payments of interest payable quarterly on the Debt Securities receiving payments of Contract Adjustment Payments and any Deferred Contract Adjustment Payments, performance of the Purchase Contracts and for all other purposes whatsoever, whether or not any payments in respect thereof be overdue and notwithstanding any notice to the contrary, and neither the Company, the Agent nor any such agent shall be affected by notice to the contrary.

The Purchase Contracts shall not, prior to the settlement thereof in accordance with the Purchase Contract Agreement, entitle the Holder to any of the rights of a holder of shares of Common Stock.

A copy of the Purchase Contract Agreement is available for inspection at the offices of the Agent during regular business hours of the Agent.

Unless the certificate of authentication hereon has been executed by the Agent by manual signature, this Income PRIDES Certificate shall not be entitled to any benefit under the Pledge Agreement or the Purchase Contract Agreement or be valid or obligatory for any purpose.

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

GREAT PLAINS ENERGY INCORPORATED

By: \_\_\_\_\_

HOLDER SPECIFIED ABOVE (as to obligations of such Holder under the Purchase Contracts evidenced hereby)

By: BNY MIDWEST TRUST COMPANY  
not individually but solely as  
Attorney-in-Fact of such Holder

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

AGENT'S CERTIFICATE OF AUTHENTICATION

This is one of the Income PRIDES Certificates referred to in the within mentioned Purchase Contract Agreement.

BNY MIDWEST TRUST COMPANY  
as Purchase Contract Agent and Trustee

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

Dated:

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common



UNIF GIFT MIN ACT - Custodian

\_\_\_\_\_  
(cust) (minor)

Under Uniform Gifts to Minors Act

\_\_\_\_\_  
(State)

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with right of survivorship and not as tenants in common

Additional abbreviations may also be used though not in the above list.

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ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto

\_\_\_\_\_  
\_\_\_\_\_  
(Please insert Social Security or Taxpayer I.D. or other Identifying Number of Assignee)

\_\_\_\_\_  
\_\_\_\_\_  
(Please Print or Type Name and Address Including Postal Zip Code of Assignee)

the within Income PRIDES Certificate(s) and all rights thereunder, hereby irrevocably constituting and appointing \_\_\_\_\_ attorney to transfer said Income PRIDES Certificate on the books of Great Plains Energy Incorporated with full power of substitution in the premises.

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

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Income PRIDES Certificates in every particular, without alteration or enlargement or any change whatsoever.

Signature Guarantee: \_\_\_\_\_

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

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SETTLEMENT INSTRUCTIONS

The undersigned Holder directs that a certificate for shares of Common Stock deliverable upon settlement on or after the Purchase Contract Settlement Date of the Purchase Contracts underlying the number of Income PRIDES evidenced by this Income PRIDES Certificate be registered in the name of, and delivered, together with a check in payment for any fractional share, to the undersigned at the address indicated below unless a different name and address have been indicated below. If shares are to be registered in the name of a Person other than the undersigned, the undersigned will pay any transfer tax payable incident thereto.

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

Signature Guarantee: \_\_\_\_\_  
(if assigned to another person)

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

If shares are to be registered in the name of and delivered to a Person other than the Holder, please (i) print such Person's name and address and (ii) provide a guarantee of your signature:

REGISTERED HOLDER:  
Please print name and address of Registered Holder:

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
Address

Social Security or other Taxpayer Identification Number, if any:  
\_\_\_\_\_

ELECTION TO SETTLE EARLY

The undersigned Holder of this Income PRIDES Certificate hereby irrevocably exercises the option to effect Early Settlement in accordance with the terms of the Purchase Contract Agreement with respect to the Purchase Contracts underlying the number of Income PRIDES evidenced by this Income PRIDES Certificate specified below. The undersigned Holder directs that a certificate for shares of Common Stock deliverable upon such Early Settlement be registered in the name of, and delivered, together with a check in payment for any fractional share and any Income PRIDES Certificate representing any Income PRIDES evidenced hereby as to which Early Settlement of the related Purchase Contracts is not effected, to the undersigned at the address indicated below unless a different name and address have been indicated below. Pledged Debt Securities or the Applicable Ownership Interest in the appropriate Treasury Portfolio, as the case may be, deliverable upon such Early Settlement will be transferred in accordance with the transfer instructions set forth below. If shares are to be registered in the name of a Person other than the undersigned, the undersigned will pay any transfer tax payable incident thereto.

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

Signature: \_\_\_\_\_

Signature Guarantee: \_\_\_\_\_  
(if assigned to another person)

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

[continued on next page]

Number of Securities evidenced hereby as to which Early Settlement of the related Purchase Contracts is being elected:

If shares of Common Stock or Income PRIDES Certificates are to be registered in the name of and delivered to, and Pledged Debt Securities, or the Treasury Portfolio, as the case may be, are to be transferred to, a Person other than the Holder, please print such Person's name and address:

REGISTERED HOLDER  
Please print name and address of Registered Holder:

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Address: \_\_\_\_\_

Social Security or other Taxpayer

Identification Number, if any:

\_\_\_\_\_

Transfer Instructions for Pledged Debt Securities, or the Treasury Portfolio, as the case may be, Transferable Upon Early Settlement or a Termination Event:

\_\_\_\_\_

{TO BE ATTACHED TO GLOBAL CERTIFICATES}

SCHEDULE OF INCREASES OR DECREASES IN GLOBAL CERTIFICATE

The following increases or decreases in this Global Certificate have been made:

<u>Date</u>	<u>Amount of decrease in Principal Amount of the Global Certificate</u>	<u>Amount of increase in Principal Amount of the Global Certificate</u>	<u>Principal Amount of this Global Certificate following such decrease or increase</u>	<u>Signature of authorized officer of Trustee or Securities Custodian</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
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_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

EXHIBIT B

FORM OF GROWTH PRIDES CERTIFICATE

THIS CERTIFICATE IS A GLOBAL CERTIFICATE WITHIN THE MEANING OF THE PURCHASE CONTRACT AGREEMENT (AS HEREINAFTER DEFINED) AND IS REGISTERED IN THE NAME OF THE CLEARING AGENCY OR A NOMINEE THEREOF. THIS CERTIFICATE MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A CERTIFICATE REGISTERED, AND NO TRANSFER OF THIS CERTIFICATE IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH CLEARING AGENCY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE PURCHASE CONTRACT AGREEMENT.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO., OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, AND ANY PAYMENT HEREON IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY A PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

No. 1

Cusip No. \_\_\_\_\_

Number of Growth PRIDES: \_\_\_\_\_

Growth PRIDES  
(\$25 Stated Amount)

This Growth PRIDES Certificate certifies that Cede & Co. is the registered Holder of the number of Growth PRIDES set forth above. Each Growth PRIDES represents (a) a stock purchase contract of Great Plains Energy Incorporated, a Missouri corporation (the "Company") (as modified and supplemented and in effect from time to time, a "Purchase Contract") and (b) a 1/40, or 2.5%, undivided beneficial ownership interest in a Treasury Security. All capitalized terms used herein without definition herein have the meaning set forth in the Purchase Contract Agreement referred to below.

Pursuant to the Pledge Agreement, the Treasury Securities constituting part of each Growth PRIDES evidenced hereby have been pledged to the Collateral Agent, for the benefit of the Company, to secure the obligations of the Holder under the Purchase Contract comprising a portion of such Growth PRIDES.

The Pledge Agreement provides that all payments of the principal of any Treasury Securities received by the Collateral Agent shall be paid by the Collateral Agent by wire transfer in same day funds (i) in the case of any principal payments with respect to any Treasury

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Securities that have been released from the Pledge pursuant to the Pledge Agreement, to the Holders of the applicable Growth PRIDES to the accounts designated by them in writing for such purpose no later than 2:00 p.m. New York City time, on the Business Day such payment is received by the Collateral Agent (provided that in the event such payment is received by the Collateral Agent on a day that is not a Business Day or after 12:30 p.m., New York City time, on a Business Day, then such payment shall be made no later than 10:30 a.m., New York City time, on the next succeeding Business Day), and (ii) in the case of the principal of any Pledged Treasury Securities, to the Company on the Purchase Contract Settlement Date (as defined herein) in accordance with the terms of the Pledge Agreement, in full satisfaction of the respective obligations of the Holders of the Growth PRIDES of which such Pledged Treasury Securities are a part under the Purchaser Contracts forming a part of such Growth PRIDES.

Each Purchase Contract evidenced hereby obligates the Holder of this Growth PRIDES Certificate to purchase, and the Company, to sell not later than February 16, 2007 (the "Purchase Contract Settlement Date"), at a price of \$25 in cash (the "Purchase Price"), a number of newly issued shares of Common Stock, without par value, of the Company including, where applicable, the preference stock purchase rights appurtenant thereto ("Common Stock"), equal to the applicable Settlement Rate (as defined below), unless on or prior to the Purchase Contract Settlement Date there shall have occurred a Termination Event or an Early Settlement or Cash Merger Early Settlement with respect to the Growth PRIDES of which such Purchase Contract is a part, all as provided in the Purchase Contract Agreement and more fully described below.

The "Settlement Rate" is equal to (a) if the Applicable Market Value (as defined below) is equal to or greater than \$\_\_\_\_\_ (the "Threshold Appreciation Price"), \_\_\_\_\_ shares of Common Stock per purchase contract, (b) if the Applicable Market Value is less than the Threshold Appreciation Price, but is greater than \$\_\_\_\_\_ (the "Reference Price"), the number of shares of Common Stock per Purchase Contract equal to \$25 divided by the Applicable Market Value and (c) if the Applicable Market Value is less than or equal to the Reference Price, \_\_\_\_\_ shares of Common Stock per Purchase Contract, in each case subject to adjustment as provided in the Purchase Contract Agreement (and in each case rounded upward or downward to the nearest 1/10,000th of a share). No fractional shares of Common Stock will be issued upon settlement of Purchase Contracts, as provided in the Purchase Contract Agreement.

The Company shall pay on each Payment Date other than the Initial Reset Date is not also a regular quarterly Payment Date in respect of each Purchase Contract forming part of a Growth PRIDES evidenced hereby an amount (the "Contract Adjustment Payments") equal to \_\_\_\_\_% per annum of the Stated Amount, computed on the basis of a 360 day year of twelve 30 day months, subject to deferral at the option of the Company as provided in the Purchase Contract Agreement and more fully described below. Such Contract Adjustment Payments shall be payable to the Person in whose name this Growth PRIDES Certificate (or a Predecessor Growth PRIDES Certificate or a Predecessor Income PRIDES Certificate) is registered on the Register at the close of business on the Record Date for such Payment Date.

Contract Adjustment Payments will be payable at the Paying Office or, at the option of the Company, by check mailed to the address of the Person entitled thereto as such address appears on the Growth PRIDES Register or by wire transfer to an account appropriately designated in writing by the Person entitled to payment.

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Unless the context otherwise requires, each provision of this Security shall be part of the Purchase Contracts evidenced hereby. This Security and each Purchase Contract evidenced hereby is governed by a Purchase Contract Agreement, dated as of \_\_\_\_\_, 2004 (as amended or supplemented from time to time, the "Purchase Contract Agreement") between the Company and \_\_\_\_\_, as purchase contract agent (including any successor thereunder, herein called the "Agent"), to which Purchase Contract Agreement and supplemental agreements thereto reference is hereby made for a description of the respective rights, limitations of rights, obligations, duties and immunities thereunder of the Agent, the Company and the Holders and of the terms upon which the Growth PRIDES Certificates are, and are to be, executed and delivered.

Each Purchase Contract evidenced hereby, which is settled either through Early Settlement, Cash Merger Early Settlement or Cash Settlement, shall obligate the Holder of the related Growth PRIDES to purchase at the applicable Purchase Price, and the Company to sell, a number of newly issued shares of Common Stock equal to the applicable Early Settlement Rate or the Settlement Rate, as the case may be.

The "Applicable Market Value," with respect to settlement of a Purchase Contract, means the average of the Closing Price per share of Common Stock on each of the 20 consecutive Trading Days ending on the third Trading Day immediately preceding the Purchase Contract Settlement Date or, in the event of a Cash Merger, ending on the third Trading Day immediately preceding the consummation of the Cash Merger. The "Closing Price" of the Common Stock on any date of determination means the closing sale price (or, if no closing price is reported, the last reported sale price) of the Common Stock on the New York Stock Exchange (the "NYSE") on such date or, if the Common Stock is not listed for trading on the NYSE on any such date, as reported in the composite transactions for the principal United States national or regional securities exchange on which the Common Stock is so listed. If the Common Stock is not so listed on a United States national or regional securities exchange, the Closing Price means the last sale price of the Common Stock as reported by the NASDAQ Stock Market, or if the Common Stock is not so reported, the last quoted bid price for the Common Stock in the over-the-counter market as reported by the National Quotation Bureau or similar organization. If such bid price is not available, the Closing Price means market value of the Common Stock on such date as determined by a nationally recognized independent investment banking firm retained by the Company for this purpose. A "Trading Day" means a day on which the Common Stock (A) is not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business and (B) has traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of the Common Stock.

In accordance with the terms of the Purchase Contract Agreement, the Holder of the Growth PRIDES evidenced hereby shall pay, on the Purchase Contract Settlement Date (unless the Holder shall have previously effected an Early Settlement or a Cash Merger Early Settlement), the Purchase Price for the shares of Common Stock purchased pursuant to each Purchase Contract evidenced hereby by effecting a Cash Settlement or by applying a principal amount of the Pledged Treasury Securities underlying such Holder's Growth PRIDES equal to the Stated Amount of such Purchase Contract to the purchase of Common Stock. A Holder of Growth PRIDES who does not make such payment in accordance with the Purchase Contract Agreement or who does not notify the Agent of such Holder's intention, on or prior to 5:00 p.m.,

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New York City time, on the second Business Day immediately preceding the Purchase Contract Settlement Date, to make an effective Cash Settlement (unless the Holder shall have previously effected an Early Settlement or a Cash Merger Early Settlement) shall have defaulted in its obligations under the related Purchase Contract, and the Collateral Agent shall exercise its rights as a secured creditor for the benefit of the Company under the Purchase Contract Agreement and the Pledge Agreement and shall apply the principal amount at maturity of the related Pledged Treasury Securities held by the Collateral Agent to the Purchase Price of the Common Stock on such Purchase Contract Settlement Date.

The Company shall not be obligated to issue any shares of Common Stock in respect of a Purchase Contract or deliver any certificates therefor to the Holder unless it shall have received payment in full of the Purchase Price for the shares of Common Stock to be purchased thereunder in the manner set forth in the Purchase Contract Agreement.

The Growth PRIDES Certificates are issuable only in registered form and only in denominations of a single Growth PRIDES and any integral multiple thereof. The transfer of any Growth PRIDES Certificate will be registered and Growth PRIDES Certificates may be exchanged as provided in the Purchase Contract Agreement. The Growth PRIDES Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents permitted by the Purchase Contract Agreement. No service charge shall be required for any such registration of transfer or exchange, but the Company and the Agent may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Subject to the last sentence of this paragraph, a Holder of a Growth PRIDES may, at any time on or prior to the seventh Business Day immediately preceding the Purchase Contract Settlement Date, create or recreate an Income PRIDES by depositing with the Collateral Agent a Debt Security or the Applicable Ownership Interest in the applicable Treasury Portfolio, as the case may be, having an aggregate principal amount equal to the aggregate principal amount at maturity of, and in substitution for all, but not less than all, of the Treasury Securities comprising part of the Growth PRIDES in accordance with the Purchase Contract Agreement; provided, however, that if the Treasury Portfolio has replaced the Debt Securities as a component of Income PRIDES as a result of a successful remarketing of the Debt Securities on a Remarketing Date or a Special Event Redemption, such Collateral Substitutions may be made at any time on or prior to the second Business Day immediately preceding the Purchase Contract Settlement Date. Holders of Growth PRIDES may make such Collateral Substitutions and establish Income PRIDES (i) only in integral multiples of 40 Growth PRIDES if Treasury Securities are being replaced by only Debt Securities, or (ii) only in integral multiples of \_\_\_\_\_ Growth PRIDES (or such other number of Growth PRIDES as may be determined by the Remarketing Agent or the Quotation Agent following a successful remarketing of the Debt Securities or a Special Event Redemption, respectively, if the Reset Date or the Special Event Redemption Date, as the case may be, is not an Interest Payment Date) if any Treasury Security is being replaced by the Applicable Ownership Interest in the appropriate Treasury Portfolio. To create (x) 40 Income PRIDES (if a Special Event Redemption has not occurred and the Debt Securities remain components of Income PRIDES), or (y) \_\_\_\_\_ Income PRIDES or such other number of Income PRIDES as may be determined by the Remarketing Agent or the Quotation Agent following a successful remarketing of the Debt Securities or a Special Event Redemption, respectively, if the

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Reset Date or the Special Event Redemption Date, as the case may be, is not an Interest Payment Date (if a Special Event Redemption has occurred or the Remarketing Treasury Portfolio has replaced the Debt Securities as a result of a successful remarketing of such Debt Securities), the Growth PRIDES Holder shall

(a) if a Treasury Portfolio has not replaced the Debt Securities as a component of Income PRIDES as a result of a successful remarketing of the Debt Securities on Remarketing Date or a Special Event Redemption, on or prior to the seventh Business Day immediately preceding the Purchase Contract Settlement Date, deposit with the Collateral Agent \$1,000 in aggregate principal amount of Debt Securities; or

(b) if a Treasury Portfolio has replaced the Debt Securities as a component of Income PRIDES as a result of a successful remarketing of the Debt Securities on a Remarketing Date or a Special Event Redemption, on or prior to the second Business Day immediately preceding the Purchase Contract Settlement Date, deposit with the Collateral Agent (1) the Applicable Ownership Interest in the Treasury Portfolio for each \_\_\_\_\_ Income PRIDES (or such other number of Income PRIDES as may be determined by the Remarketing Agent or the Quotation Agent following a successful remarketing of the Debt Securities or a Special Event Redemption, respectively, if the Reset Date or the

Special Event Redemption Date, as the case may be, is not an Interest Payment Date) being created by the Holder, and having an aggregate principal amount of \$\_\_\_\_\_ (or \$25 multiplied by such number of Growth PRIDES as may be determined by the Remarketing Agent or Quotation Agent as described in clause (ii) above) and (2) if the Income PRIDES are reestablished following a Reset Date which is not also a Payment Date but prior to the close of business on the Record Date related to the Payment Date next succeeding such Reset Date, cash in an amount equal to the interest accrued on the Debt Securities that would have been a component of the Income PRIDES to be created from the Interest Payment Date next preceding the Reset Date to but excluding the Reset Date; and

(c) in each case, transfer and surrender the related 40 Growth PRIDES, or in the event the Treasury Portfolio is a component of Income PRIDES, \_\_\_\_\_ Income PRIDES (or such other number of Income PRIDES as may be determined by the Remarketing Agent or the Quotation Agent following a successful remarketing of the Debt Securities or a Special Event Redemption, respectively, if the Reset Date or the Special Event Redemption Date, as the case may be, is not an Interest Payment Date), to the Agent accompanied by a notice to the Agent, substantially in the form of Exhibit B to the Pledge Agreement, stating that the Holder has transferred the relevant amount of Debt Securities or the appropriate Applicable Ownership Interest in the Treasury Portfolio, as the case may be, to the Collateral Agent and requesting that the Agent instruct the Collateral Agent to release the Treasury Securities underlying such Growth PRIDES, whereupon the Agent shall promptly give such instruction to the Collateral Agent, substantially in the form of Exhibit A to the Pledge Agreement.

If Debt Securities comprise a component of Income PRIDES, Holders of Growth PRIDES shall not be permitted to effect Collateral Substitutions in accordance with the provisions of the Purchase Contract Agreement during the period commencing on and including the second

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Business Day prior to the first of the three sequential Remarketing Dates comprising a Three-Day Remarketing Period and ending on and including the Reset Date relating to a successful remarketing or, if none of the remarketings during such Three-Day Remarketing Period is successful, the Business Day following the last of the three sequential Remarketing Dates occurring during such Three-Day Remarketing Period.

Upon receipt of the Debt Securities or the Applicable Ownership Interest in the appropriate Treasury Portfolio, as the case may be, described in clause (a) or (b) above and the instructions described in clause (c) above, in accordance with the terms of the Pledge Agreement, the Collateral Agent will effect the release of the Treasury Securities having a corresponding aggregate principal amount from the Pledge to the Agent free and clear of the Company's security interest therein, and upon receipt thereof the Agent shall promptly:

(i) cancel the related Growth PRIDES surrendered and transferred;

(ii) transfer the Treasury Securities that had been components of such Growth PRIDES to the Holder; and

(iii) authenticate, execute on behalf of such Holder and deliver an Income PRIDES Certificate executed by the Company in accordance with the Purchase Contract Agreement evidencing the same number of Purchase Contracts as were evidenced by the cancelled Growth PRIDES.

Holders who elect to separate Pledged Treasury Securities from the related Purchase Contracts and to substitute Debt Securities or the Applicable Ownership Interest in the Treasury Portfolio, as the case may be, for such Pledged Treasury Securities shall be responsible for any fees or expenses payable to the Collateral Agent for its services as Collateral Agent in respect of the substitution, and the Company shall not be responsible for any such fees or expenses.

A Holder of an Income PRIDES may create or recreate a Growth PRIDES and separate the Debt Security or the Applicable Ownership Interest in the appropriate Treasury Portfolio, as applicable, from the related Purchase Contract in respect of such Income PRIDES by substituting a Treasury Security for the Debt Security, or the Applicable Ownership Interest in the appropriate Treasury Portfolio, that form a part of such Income PRIDES in accordance with the Purchase Contract Agreement.

Subject to the next succeeding paragraph, the Company shall pay, on each Payment Date, the Contract Adjustment Payments payable in respect of each Purchase Contract to the Person in whose name the Growth PRIDES Certificate evidencing such Purchase Contract is registered on the Register at the close of business on the Record Date next preceding such Payment Date. The Contract Adjustment Payments will be payable at the Paying Office or, at the option of the Company, by check mailed to the address of the Person entitled thereto at such address as it appears on the Growth PRIDES Register or by wire transfer to an account appropriately designated in writing by such person.

The Company shall have the right, at any time prior to the Purchase Contract Settlement Date, to defer the payment of any or all of the Contract Adjustment Payments otherwise payable on any Payment Date, but only if the Company shall give the Holders and the Agent written

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notice of its election to defer such payment (specifying the amount to be deferred) as provided in the Purchase Contract Agreement. Any Contract Adjustment Payments so deferred shall bear additional Contract Adjustment Payments thereon at the rate of \_\_\_\_\_% per annum (computed on the basis of a 360-day year of twelve 30-day months), compounding on each succeeding Payment Date, until paid in full (such deferred installments of Contract Adjustment Payments, if any, together with the additional Contract Adjustment Payments accrued thereon, are referred to herein as the "Deferred Contract Adjustment Payments"). Deferred Contract Adjustment Payments, if any, shall be due on the next succeeding Payment Date except to the extent

that payment is deferred pursuant to the Purchase Contract Agreement. No Contract Adjustment Payments may be deferred to a date that is after the Purchase Contract Settlement Date.

In the event that the Company elects to defer the payment of Contract Adjustment Payments on the Purchase Contracts until the Purchase Contract Settlement Date, the Holder of this Growth PRIDES Certificate will receive on the Purchase Contract Settlement Date, in lieu of a cash payment, a number of shares of Common Stock (in addition to the number of shares equal to the Settlement Rate) equal to (x) the aggregate amount of Deferred Contract Adjustment Payments payable to the Holder of this Growth PRIDES Certificate divided by (y) the Applicable Market Value.

In the event the Company exercises its option to defer the payment of Contract Adjustment Payments, then, until the Deferred Contract Adjustment Payments have been paid, neither the Company nor any of its subsidiaries shall declare or pay dividends on, make distributions with respect to, or redeem, purchase or acquire, or make a liquidation payment with respect to, any of the Company's capital stock or make guarantee payments with respect to any of the Company's capital stock other than (i) redemptions, purchases or acquisitions of capital stock of the Company in connection with the satisfaction by the Company in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or agents or a stock purchase or dividend reinvestment plan, or the satisfaction by the Company of its obligations pursuant to any contract or security outstanding on the date of such event requiring the Company to redeem, purchase or acquire its capital stock, (ii) as a result of a reclassification of the Company's capital stock or the exchange or conversion of all or a portion of one class or series of the Company's capital stock for another class or series of the Company's capital stock, (iii) the purchase of fractional interests in shares of the Company's capital stock pursuant to the conversion or exchange provisions of the Company's capital stock or the security being converted or exchanged, (iv) dividends or distributions in capital stock of the Company (or rights to acquire capital stock of the Company), or repurchases, redemptions or acquisitions of capital stock in connection with the issuance or exchange of capital stock of the Company (or securities convertible into or exchangeable for shares of the Company's capital stock) or (v) redemptions, exchanges or repurchases of any rights outstanding under a shareholder rights plan of the Company or payment thereunder of a dividend or distribution of or with respect to rights in the future.

The Company's obligations with respect to Contract Adjustment Payments (including any accrued or Deferred Contract Adjustment Payments), will be subordinated and junior in right of payment to the Company's obligations under any Senior Indebtedness. Upon any payment or distribution of the Company's assets to its creditors upon any dissolution, winding up, liquidation or reorganization, whether voluntary or involuntary, or in bankruptcy, insolvency,

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receivership or other similar proceedings, the holders of all Senior Indebtedness shall first be entitled to receive payment in full of all amounts due or to become due thereon, or payment of such amounts shall have been provided for, before the Holders of the Securities shall be entitled to receive any Contract Adjustment Payments.

No payment of Contract Adjustment Payments may be made if (i) any payment default on any Senior Indebtedness has occurred and is continuing beyond any applicable grace period; or (ii) any default other than a payment default with respect to Senior Indebtedness occurs and is continuing that permits the acceleration of the maturity thereof and the Agent receives a written notice of such default from the Company or the holders of such Senior Indebtedness.

The Purchase Contracts and all obligations and rights of the Company and the Holders thereunder, including, without limitation, the rights of the Holders to receive and the obligation of the Company to pay any Contract Adjustment Payments or any Deferred Contract Adjustment Payments, and the rights and obligations of the Holders to purchase Common Stock shall immediately and automatically terminate, without the necessity of any notice or action by any Holder, the Agent or the Company, if, on or prior to the Purchase Contract Settlement Date, a Termination Event shall have occurred. Upon the occurrence of a Termination Event, the Company shall promptly but in no event later than two Business Days thereafter give written notice to the Agent, the Collateral Agent and to the Holders, at their addresses as they appear in the Growth PRIDES Register. Upon and after the occurrence of a Termination Event, the Collateral Agent shall release the Treasury Securities from the Pledge in accordance with the provisions of the Pledge Agreement.

Subject to and upon compliance with the provisions of the Purchase Contract Agreement, a Holder of Growth PRIDES may settle the related Purchase Contracts in their entirety at any time on or prior to the second Business Day immediately preceding the Purchase Contract Settlement Date, but only in integral multiples of 40 Growth PRIDES. The right to Early Settlement is subject to there being in effect, if so required under Federal securities laws, a registration statement covering the shares of Common Stock to be delivered in respect of the Purchase Contracts being settled (it being understood that, if so required under Federal securities laws, the Company shall use commercially reasonable efforts to (1) cause such a registration statement to become effective and (2) provide a prospectus in connection therewith, in each case, in a form appropriate for Early Settlements). In order to exercise the right to effect any such early settlement ("Early Settlement") with respect to any Purchase Contracts evidenced by this Growth PRIDES Certificate, the Holder of this Growth PRIDES Certificate shall deliver this Growth PRIDES Certificate to the Agent at the Corporate Trust Office duly endorsed for transfer to the Company or in blank with the form of Election to Settle Early set forth below duly completed and executed and accompanied by payment payable to the Company in immediately available funds in an amount (the "Early Settlement Amount") equal to the sum of (i) \$25 times the number of Purchase Contracts being settled, plus (ii) if such delivery is made with respect to any Purchase Contracts during the period from the close of business on any Record Date next preceding any Payment Date to the opening of business on such Payment Date, an amount equal to the Contract Adjustment Payments payable, if any, on such Payment Date with respect to such Purchase Contracts. Upon Early Settlement of Purchase Contracts by a Holder of the related Growth PRIDES, the Pledged Treasury Securities underlying such Securities shall be released from the Pledge as provided in the Pledge Agreement and the Holder shall be entitled to receive

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a number of shares of Common Stock on account of each Purchase Contract forming part of a Growth PRIDES as to which Early Settlement is effected equal to the Early Settlement Rate which shall be equal to \_\_\_\_\_ newly issued shares of Common Stock per Purchase Contract (the "Early Settlement Rate"); provided however, that upon the Early Settlement of the Purchase Contracts, (i) the Holder thereof will forfeit the right to receive any Deferred Contract Adjustment Payments, if any, on such Purchase Contracts, (ii) the Holder's right to receive additional Contract Adjustment Payments in respect

of such Purchase Contracts will terminate, and (iii) no adjustment will be made to or for the Holder on account of Deferred Contract Adjustment Payments, or any amount accrued in respect of Contract Adjustment Payments. The Early Settlement Rate shall be adjusted in the same manner and at the same time as the Settlement Rate, by virtue of adjustments to the Threshold Appreciation Price and the Reference Price, is adjusted as provided in the Purchase Contract Agreement.

Subject to and upon compliance with the provisions of the Purchase Contract Agreement, if, prior to the Purchase Contract Settlement Date, (i) the Company merges with or into another entity, (ii) the Common Stock is converted, exchanged, reclassified or cancelled in such merger, and (iii) at least 30% of the consideration received by the Company's shareholders for its Common Stock in such merger consists of cash or cash equivalents (a "Cash Merger"), then each Holder of Securities shall have the right to settle the Purchase Contract at the Settlement Rate in effect immediately before the Cash Merger (a "Cash Merger Early Settlement"). The right to Cash Merger Early Settlement is subject to there being in effect, if so required under Federal securities laws, a registration statement covering the securities to be delivered in respect of the Purchase Contracts being settled (it being understood that, if so required under Federal securities laws, the Company shall use commercially reasonable efforts to (1) cause such a registration statement to become effective and (2) provide a prospectus in connection therewith, in each case, in a form appropriate for Early Settlements). Upon Cash Merger Early Settlement, (x) the Holder's rights to receive Deferred Contract Adjustment Payments, if any, on the Purchase Contracts being settled will be forfeited, (y) the Holder's right to receive additional Contract Adjustment Payments in respect of such Purchase Contracts will terminate and (z) no adjustment will be made to or for the Holder on account of Deferred Contract Adjustment Payments, or any amount accrued in respect of Contract Adjustment Payments. The Company shall provide each of the Holders with a notice of the consummation of the Cash Merger within five Business Days after the consummation thereof. Such notice will specify, among other things, the "Cash Merger Early Settlement Date," which shall be 10 Business Days after the date of such notice, and the amount of the cash, securities and other consideration receivable by each Holder upon a Cash Merger Early Settlement. To exercise a Cash Merger Early Settlement, a Holder shall deliver, present and surrender the this Growth PRIDES Certificate duly endorsed for transfer to the Company in blank at the offices of the Agent, accompanied by payment to the Company in immediately available funds of an amount equal to (I) \$25 multiplied by (II) the number of Purchase Contracts being settled, plus (III) if such delivery is made with respect to any Purchase Contracts during the period from the close of business on any Record Date next preceding any Payment Date to the opening of business on such Payment Date, an amount equal to the Contract Adjustment Payments payable on such Payment Date with respect to such Purchase Contracts (provided that such payment shall not be required if the Company has elected to defer the Contract Adjustment Payments which would otherwise be payable on the Payment Date), no later than 5:00 p.m., New York City time, on the Business Day immediately preceding the Cash Merger Early Settlement Date. Except as provided in the immediately preceding sentence and

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subject to the second to last paragraph of Section 5.2 of the Purchase Contract Agreement, no payment or adjustment shall be made upon Early Settlement of any Purchase Contract on account of any Contract Adjustment Payments accrued on such Purchase Contract or on account of any dividends on the Common Stock issued upon such Early Settlement. Upon a Cash Merger Early Settlement, the Pledged Treasury Securities underlying the Growth PRIDES being settled shall be released from the Pledge as provided in the Pledge Agreement and the Company will deliver, or cause to be delivered, to Holders duly exercising a Cash Merger Early Settlement on the Cash Merger Early Settlement Date the kind and amount of securities, cash or other property that such Holders would have been entitled to receive if they had settled the Purchase Contracts immediately before the Cash Merger at the Settlement Rate in effect at such time.

Upon registration of transfer of this Growth PRIDES Certificate, the transferee shall be bound (without the necessity of any other action on the part of such transferee, except as may be required by the Agent pursuant to the Purchase Contract Agreement), under the terms of the Purchase Contract Agreement and the Purchase Contracts evidenced hereby and the transferor shall be released from the obligations under the Purchase Contracts evidenced by this Growth PRIDES Certificate. The Company covenants and agrees, and the Holder, by its acceptance hereof, likewise covenants and agrees, to be bound by the provisions of this paragraph.

The Holder of this Growth PRIDES Certificate, by its acceptance hereof, irrevocably authorizes the Agent to enter into and perform the related Purchase Contracts forming part of the Growth PRIDES evidenced hereby on its behalf as its attorney-in-fact, expressly withholds any consent to the assumption (i.e., affirmation) of the Purchase Contracts by the Company or its trustee in bankruptcy, receiver, liquidator or a person or entity performing similar functions, in the event that the Company becomes the subject of a case under the Bankruptcy Code or subject to other similar Federal or State law providing for reorganization or liquidation, agrees to be bound by the terms and provisions thereof, covenants and agrees to perform its obligations under such Purchase Contracts, consents to the provisions of the Purchase Contract Agreement, authorizes the Agent to enter into and perform the Pledge Agreement on its behalf as its attorney-in-fact, and consents to the Pledge of the Treasury Securities underlying this Growth PRIDES Certificate pursuant to the Pledge Agreement. The Holder, by its acceptance hereof, further covenants and agrees, that, to the extent and in the manner provided in the Purchase Contract Agreement and the Pledge Agreement, but subject to the terms thereof, payments in respect to the Stated Amount of the Pledged Treasury Securities on the Purchase Contract Settlement Date shall be paid by the Collateral Agent to the Company in satisfaction of such Holder's obligations under such Purchase Contract and such Holder shall acquire no right, title or interest in such payments.

The Holder of this Growth PRIDES Certificate, by its acceptance hereof, covenants and agrees to treat itself as the owner, for United States federal, state and local income and franchise tax purposes, of the Treasury Securities forming part of the Growth PRIDES evidenced hereby.

Subject to certain exceptions, the provisions of the Purchase Contract Agreement may be amended with the consent of the Holders of a majority of the Purchase Contracts. In addition, certain amendments to the Purchase Contract Agreement may be made without any consent of the Holders as provided in the Purchase Contract Agreement.

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THE PURCHASE CONTRACTS SHALL FOR ALL PURPOSES BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.



The Company and the Agent and any agent of the Company or the Agent may treat the Person in whose name this Growth PRIDES Certificate is registered on the Growth PRIDES Register as the owner of the Growth PRIDES evidenced hereby for the purpose of receiving payments of interest on the Treasury Securities, receiving payments of Contract Adjustment Payments and any Deferred Contract Adjustment Payments, performance of the Purchase Contracts and for all other purposes whatsoever, whether or not any payments in respect thereof be overdue and notwithstanding any notice to the contrary, and neither the Company, the Agent nor any such agent shall be affected by notice to the contrary.

The Purchase Contracts shall not, prior to the settlement thereof, in accordance with the Purchase Agreement, entitle the Holder to any of the rights of a holder of shares of Common Stock.

A copy of the Purchase Contract Agreement is available for inspection at the offices of the Agent during regular business hours of the Agent.

Unless the certificate of authentication hereon has been executed by the Agent by manual signature, this Growth PRIDES Certificate shall not be entitled to any benefit under the Pledge Agreement or the Purchase Contract Agreement or be valid or obligatory for any purpose.

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

GREAT PLAINS ENERGY INCORPORATED

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

HOLDER SPECIFIED ABOVE (as to obligations of such Holder under the Purchase Contracts evidenced hereby)

By: BNY MIDWEST TRUST COMPANY,  
not individually but solely as  
Attorney-in-Fact of such Holder

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

AGENT'S CERTIFICATE OF AUTHENTICATION

This is one of the Growth PRIDES Certificates referred to in the within mentioned Purchase Contract Agreement.

[\_\_\_\_\_] ,  
as Purchase Contract Agent and Trustee

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

Dated:

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common

UNIF GIFT MIN ACT - Custodian

\_\_\_\_\_  
(cust) (minor)

Under Uniform Gifts to Minors Act  
\_\_\_\_\_

(State)

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with right of survivorship and not as tenants in common

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto

\_\_\_\_\_  
\_\_\_\_\_  
(Please insert Social Security or Taxpayer I.D. or other Identifying Number of Assignee)

\_\_\_\_\_  
\_\_\_\_\_  
(Please Print or Type Name and Address Including Postal Zip Code of Assignee)

the within Growth PRIDES Certificate(s) and all rights thereunder, hereby irrevocably constituting and appointing \_\_\_\_\_ attorney to transfer said Growth PRIDES Certificate on the books of Great Plains Energy Incorporated with full power of substitution in the premises.

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

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Growth PRIDES Certificates in every particular, without alteration or enlargement or any change whatsoever.

Signature Guarantee: \_\_\_\_\_

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

SETTLEMENT INSTRUCTIONS

The undersigned Holder directs that a certificate for shares of Common Stock deliverable upon settlement on or after the Purchase Contract Settlement Date of the Purchase Contracts underlying the number of Growth PRIDES evidenced by this Growth PRIDES Certificate be registered in the name of, and delivered, together with a check in payment for any fractional share, to the undersigned at the address indicated below unless a different name and address have been indicated below. If shares are to be registered in the name of a Person other than the undersigned, the undersigned will pay any transfer tax payable incident thereto.

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

Signature Guarantee: \_\_\_\_\_  
(if assigned to another person)

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the

Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

If shares are to be registered in the name of and delivered to a Person other than the Holder, please (i) print such Person's name and address and (ii) provide a guarantee of your signature:

REGISTERED HOLDER:  
Please print name and address of Registered Holder:

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
Address

Social Security or other Taxpayer Identification Number, if any:  
\_\_\_\_\_

ELECTION TO SETTLE EARLY

The undersigned Holder of this Growth PRIDES Certificate hereby irrevocably exercises the option to effect Early Settlement in accordance with the terms of the Purchase Contract Agreement with respect to the Purchase Contracts underlying the number of Growth PRIDES evidenced by this Growth PRIDES Certificate specified below. The undersigned Holder directs that a certificate for shares of Common Stock deliverable upon such Early Settlement be registered in the name of, and delivered, together with a check in payment for any fractional share and any Growth PRIDES Certificate representing any Growth PRIDES evidenced hereby as to which Early Settlement of the related Purchase Contracts is not effected, to the undersigned at the address indicated below unless a different name and address have been indicated below. Pledged Treasury Securities deliverable upon such Early Settlement will be transferred in accordance with the transfer instructions set forth below. If shares are to be registered in the name of a Person other than the undersigned, the undersigned will pay any transfer tax payable incident thereto.

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

Signature: \_\_\_\_\_

Signature Guarantee: \_\_\_\_\_  
(if assigned to another person)

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

[continued on next page]

Number of Securities evidenced hereby as to which Early Settlement of the related Purchase Contracts is being elected:

If shares of Common Stock or Income PRIDES Certificates are to be registered in the name of and delivered to, and Pledged Debt Securities, or the Treasury Portfolio, as the case may be, are to be transferred to, a Person other than the Holder, please print such Person's name and address:

REGISTERED HOLDER  
Please print name and address of Registered Holder:

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Address: \_\_\_\_\_



Please print name and address of Registered Holder:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Social Security or other Taxpayer Identification Number, if any: \_\_\_\_\_

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Great Plains Energy Incorporated

and

BNY Midwest Trust Company,  
As Collateral Agent, Custodial Agent  
and Securities Intermediary

and

BNY Midwest Trust Company,  
as Purchase Contract Agent

PLEDGE AGREEMENT

Dated as of \_\_\_\_\_

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**PLEDGE AGREEMENT**

PLEDGE AGREEMENT, dated as of \_\_\_\_ (this "Agreement"), by and among Great Plains Energy Incorporated, a Missouri corporation (the "Company"), as pledgee, BNY Midwest Trust Company, an Illinois trust company, not individually but solely as collateral agent (in such capacity, together with its successors in such capacity, the "Collateral Agent"), as custodial agent (in such capacity, together with its successors in such capacity, the "Custodial Agent") and as a "securities intermediary" as defined in Section 8-102(a)(14) of the Code (as defined herein) (in such capacity, together with its successors in such capacity, the "Securities Intermediary"), and BNY Midwest Trust Company, an Illinois trust company, not individually but solely as purchase contract agent and as attorney-in-fact of the Holders (as defined in the Purchase Contract Agreement) from time to time of the Securities (as hereinafter defined) (in such capacity, together with its successors in such capacity, the "Purchase Contract Agent") under the Purchase Contract Agreement (as hereinafter defined).

## RECITALS

WHEREAS, the Company and the Purchase Contract Agent are parties to the Purchase Contract Agreement, dated as of the date hereof (as amended or supplemented from time to time, the "Purchase Contract Agreement"), pursuant to which there may be issued \_\_\_\_\_ FELINE PRIDES (the "Securities") of the Company (or up to \_\_\_\_\_ Securities if the Underwriter exercises its overallotment option in full) initially consisting of \_\_\_\_\_ units ("Income PRIDES") with a stated amount ("Stated Amount") per Income PRIDES of \$25.

WHEREAS each Income PRIDES will initially be comprised of (a) a stock purchase contract (as amended and supplemented from time to time, a "Purchase Contract") under which (i) the Holder will purchase from the Company not later than February 16, 2007 (the "Purchase Contract Settlement Date"), for \$25 in cash, a number of newly issued shares of common stock, without par value, of the Company ("Common Stock") equal to the applicable Settlement Rate and (ii) the Company will pay certain Contract Adjustment Payments to the Holders as provided in the Purchase Contract Agreement, and (b) either (A) prior to the Reset Date relating to a successful remarketing of the Debt Securities so long as no Special Event Redemption has occurred, (i) a 1/40, or 2.5%, undivided beneficial ownership interest in \$1,000 aggregate principal amount of Senior Notes initially due 2009 of the Company (the "Debt Securities"), or (ii) following the Reset Date, an Applicable Ownership Interest in the Remarketing Treasury Portfolio, or (B) upon the occurrence of a Special Event Redemption prior to the Reset Date, an Applicable Ownership Interest in the Special Event Treasury Portfolio.

WHEREAS, in accordance with the terms of the Purchase Contract Agreement, a holder of Income PRIDES may separate the Debt Securities or the Applicable Ownership Interest in a Treasury Portfolio from the related Purchase Contracts by substituting for such Debt Securities or Applicable Ownership Interest in a Treasury Portfolio Treasury Securities and, upon such separation, the Income PRIDES will become Growth PRIDES, each comprised of (a) a Purchase Contract, and (b) a Treasury Security.

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WHEREAS, pursuant to the terms of the Purchase Contract Agreement and the Purchase Contracts, the Holders, from time to time, of the Securities have irrevocably authorized the Purchase Contract Agent, as attorney-in-fact of such Holders, among other things, to execute and deliver this Agreement on behalf of and in the name of such Holders and to grant the pledge provided hereby of the Debt Securities, any Applicable Ownership Interest in a Treasury Portfolio and any Treasury Securities to secure each Holder's obligations under the related Purchase Contract, as provided herein and subject to the terms hereof.

NOW, THEREFORE, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Company, the Collateral Agent, the Securities Intermediary, the Custodial Agent and the Purchase Contract Agent, on its own behalf and as attorney-in-fact of the Holders from time to time of the Securities, agree as follows:

## ARTICLE I

### DEFINITIONS

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

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

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

(c) capitalized terms used but not defined herein are used herein with the respective meanings ascribed to them in the Purchase Contract Agreement.

"Agreement" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more agreements supplemental hereto entered into pursuant to the applicable provisions hereof.

"Bankruptcy Code" means title 11 of the United States Code, or any other law of the United States that from time to time provides a uniform system of bankruptcy laws.

"Cash" means any coin or currency of the United States as at the time shall be legal tender for payment of public and private debts.

"Code" has the meaning specified in Section 6.1 hereof.

"Collateral" has the meaning specified in Section 2.1 hereof.



"Collateral Account" means the securities account (number \_\_\_\_\_) maintained at \_\_\_\_\_ in the name "BNY Midwest Trust Company, as Purchase

Contract Agent on behalf of the holders of Securities subject to the security interest of BNY Midwest Trust Company, as Collateral Agent under the Pledge Agreement, for the benefit of Great Plains Energy Incorporated, as pledgee" and any successor account.

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"Collateral Agent" has the meaning specified in the first paragraph of this Agreement.

"Common Stock" has the meaning specified in the Recitals.

"Company" means the Person named as the "Company" in the first paragraph of this Agreement until a successor shall have become such, and thereafter "Company" shall mean such successor.

"Custodial Agent" has the meaning specified in the first paragraph of this Agreement.

"Debt Security" and "Debt Securities" have the respective meanings specified in the Recitals.

"Intermediary" means any entity that in the ordinary course of its business maintains securities accounts for others and is acting in that capacity.

"Permitted Investments" means any one of the following which shall mature not later than the next succeeding Business Day: (i) any evidence of indebtedness with an original maturity of 365 days or less issued, or directly and fully guaranteed or insured, by the United States of America or any agency or instrumentality thereof (provided that the full faith and credit of the United States of America is pledged in support thereof or such indebtedness constitutes a general obligation of it); (ii) deposits, certificates of deposit or acceptances with an original maturity of 365 days or less of any institution which is a member of the Federal Reserve System having combined capital and surplus and undivided profits of not less than U.S. \$200 million at the time of deposit; (iii) investments with an original maturity of 365 days or less of any Person that is fully and unconditionally guaranteed by a bank referred to in clause (ii) hereof; (iv) investments in commercial paper, other than commercial paper issued by the Company or its Affiliates, of any corporation incorporated under the laws of the United States or any State thereof, which commercial paper has a rating at the time of purchase at least equal to "A-1" by Standard & Poor's Ratings Service, a Division of McGraw-Hill Companies, Inc. ("S&P"), or at least equal to "P-1" by Moody's Investors Service, Inc. ("Moody's"); and (v) investments in money market funds registered under the Investment Company Act of 1940, as amended, rated in the highest applicable rating category by S&P or Moody's.

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

"Pledge" has the meaning specified in [Section 2.1](#) hereof.

"Pledged Applicable Ownership Interest in a Treasury Portfolio" has the meaning specified in [Section 2.1](#) hereof.

"Pledged Debt Securities" has the meaning specified in [Section 2.1](#) hereof.

"Pledged Treasury Securities" has the meaning specified in [Section 2.1](#) hereof.

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"Proceeds" means all interest, dividends, cash, instruments, securities, financial assets (as defined in Section 8-102(a)(9) of the Code) and other property from time to time received, receivable or otherwise distributed upon, the sale, exchange, collection, disposition or maturity of the Collateral or any proceeds thereof.

"Purchase Contract" has the meaning specified in the Recitals.

"Purchase Contract Agent" has the meaning specified in the first paragraph of this Agreement.

"Purchase Contract Agreement" has the meaning specified in the Recitals.

"Securities" has the meaning specified in the Recitals.

"Securities Intermediary" has the meaning specified in the first paragraph of this Agreement.

"Security Entitlement" has the meaning set forth in Section 8-102(a)(17) of the Code.

"Separate Debt Securities" means any Debt Securities that are not Pledged Debt Securities.

"Stated Amount" has the meaning specified in the Recitals.

"TRADES" means the Treasury/Reserve Automated Debt Entry System maintained by the Federal Reserve Bank of New York pursuant to the TRADES Regulations.

"TRADES Regulations" means the regulations of the United States Department of the Treasury, published at 31 C.F.R. Part 357, as amended from time to time. Unless otherwise defined herein, all terms defined in the TRADES Regulations are used herein as therein defined.

"Transfer" means, with respect to the Collateral and in accordance with the instructions of the Collateral Agent, the Purchase Contract Agent or the Holder, as applicable:

(i) except as otherwise provided in Section 2.1 hereof, in the case of Collateral consisting of securities which cannot be delivered by book-entry or which the parties agree are to be delivered in physical form, delivery in appropriate physical form to the recipient accompanied by any duly executed instruments of transfer, assignments in blank, transfer tax stamps and any other documents necessary to constitute a legally valid transfer to the recipient; and

(ii) in the case of Collateral consisting of securities maintained in book-entry form, by causing a "securities intermediary" (as defined in Section 8-102(a)(14) of the Code) to (i) credit a Security Entitlement with respect to such securities to a "securities account" (as defined in Section 8-501(a) of the Code) maintained by or on behalf of the recipient and (ii) to issue a confirmation to the recipient with respect to such credit. In the case of Collateral to be delivered to the Collateral Agent, the securities intermediary shall be the Securities Intermediary and the securities account shall be the Collateral Account.

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"Value" with respect to any item of Collateral on any date means: as to (i) Debt Securities, the aggregate principal amount thereof, (ii) Applicable Ownership Interests, the aggregate principal amount at maturity of the Treasury Securities specified in clause (1)(i) or clause 2(i) of the definition thereof, as the case may be, comprising such Applicable Ownership Interests, (iii) Cash, the face amount thereof and (iv) Treasury Securities, the aggregate principal amount thereof at maturity.

## ARTICLE II

### PLEDGE; CONTROL AND PERFECTION

#### SECTION 2.1 The Pledge.

The Holders from time to time acting through the Purchase Contract Agent, as their attorney-in-fact, and the Purchase Contract Agent, as such attorney-in-fact, hereby pledge and grant to the Collateral Agent, for the benefit of the Company, as collateral security for the performance when due by such Holders of their respective obligations under the related Purchase Contracts, a security interest in all of the right, title and interest of such Holders and the Purchase Contract Agent (a) in the Debt Securities and Treasury Securities constituting a part of the Securities and any Treasury Securities delivered in exchange for any Debt Securities, and any Debt Securities delivered in exchange for any Treasury Securities, in accordance with Article IV hereof, in each case that have been Transferred to or received by the Collateral Agent and not released by the Collateral Agent to such Holders or the Purchase Contract Agent under the provisions of this Agreement; (b) in payments made by Holders pursuant to Section 4.4 hereof; (c) in the Collateral Account and all securities, financial assets, Cash and other property credited thereto and all Security Entitlements related thereto; (d) in the Applicable Ownership Interest in a Treasury Portfolio purchased on behalf of the Holders of Income PRIDES by the Collateral Agent upon the occurrence of (i) a Special Event Redemption as provided in Section 6.2 hereof or (ii) a successful remarketing of the Debt Securities on any Remarketing Date during the Period for Early Remarketing as provided in Section 6.3 and (e) all Proceeds of the foregoing (all of the foregoing, collectively, the "Collateral"). Prior to or concurrently with the execution and delivery of this Agreement, the Purchase Contract Agent, on behalf of the initial Holders of the Securities, shall cause the Debt Securities comprising a part of the Income PRIDES to be Transferred to the Collateral Agent for the benefit of the Company, to secure the

obligations of the Holders to purchase Common Stock pursuant to the Purchase Contracts. Such Debt Securities shall be Transferred by physically delivering such Debt Securities to the Collateral Agent endorsed in blank.

Any Treasury Securities and any applicable Treasury Portfolio, as applicable, shall be Transferred to the Collateral Account maintained by the Collateral Agent at the Securities Intermediary by book-entry transfer to the Collateral Account in accordance with the TRADES Regulations and other applicable law and by the notation by the Securities Intermediary on its books that a Security Entitlement with respect to such Treasury Securities or Treasury Portfolio has been credited to the Collateral Account. For purposes of perfecting the Pledge under applicable law, including, to the extent applicable, the TRADES Regulations or the Uniform Commercial Code as adopted and in effect in any applicable jurisdiction, the Collateral Agent shall be the agent of the Company as provided herein. The pledge provided in this Section 2.1 is

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herein referred to as the "Pledge" and the Debt Securities, the Treasury Securities or the Applicable Ownership Interest in a Treasury Portfolio subject to the Pledge, excluding any Debt Securities or Treasury Securities or interest in any Treasury Portfolio released from the Pledge as provided in Article IV hereof, are hereinafter referred to as the "Pledged Debt Securities," the "Pledged Treasury Securities," or the "Pledged Applicable Ownership Interest in a Treasury Portfolio," respectively, and, collectively, the "Pledged Securities." Following the maturity of the Pledged Treasury Securities on February 15, 2007, the Holders of Growth PRIDES shall have such interests, rights and obligations, and the Collateral Agent shall have such security interests, rights and obligations, with respect to the cash proceeds paid upon maturity of such Pledged Treasury Securities as they had in respect of the Pledged Treasury Securities, as provided in II, III, IV, V and VI hereof, and any reference herein to the Pledged Treasury Securities shall be deemed to be a reference to such cash proceeds subject to the Pledge. Subject to the Pledge and the provisions of Section 2.2 hereof, the Holders from time to time shall have full beneficial ownership of the Collateral. The Collateral Agent shall have the right to have the Debt Securities or any other Securities held in physical form reregistered in its name or in the name of its agent or the Securities Intermediary and credited to the Collateral Account.

Except as may be required in order to release Debt Securities (or, following (i) a Special Event Redemption prior to the Reset Date or (ii) a successful remarketing of the Debt Securities on a Remarketing Date falling during the Period for Early Remarketing, as the case may be, the Applicable Ownership Interest in the appropriate Treasury Portfolio) or Treasury Securities in connection with a Holder's election to convert its investment from Income PRIDES to Growth PRIDES, or from Growth PRIDES to Income PRIDES, as the case may be, or except as otherwise required to release Pledged Securities as specified herein, neither the Collateral Agent nor the Securities Intermediary shall relinquish physical possession of any certificate evidencing Debt Securities (or, following (i) a Special Event Redemption or (ii) a successful remarketing of the Debt Securities on a Remarketing Date falling during the Period for Early Remarketing, as the case may be, the Applicable Ownership Interest in the appropriate Treasury Portfolio) or Treasury Securities prior to the termination of this Agreement. If it becomes necessary for the Collateral Agent to relinquish physical possession of a certificate in order to release a portion of the Debt Securities evidenced thereby from the Pledge, the Collateral Agent shall use its best efforts to obtain physical possession of a replacement certificate evidencing any Debt Securities remaining subject to the Pledge hereunder registered to it or endorsed in blank within ten days of the date it relinquished possession. The Collateral Agent shall promptly notify the Company of its failure to obtain possession of any such replacement certificate as required hereby.

#### SECTION 2.2 Control and Perfection.

- a. In connection with the Pledge granted in Section 2.1, and subject to the other provisions of this Agreement, the Holders from time to time acting through the Purchase Contract Agent, as their attorney-in-fact, hereby authorize and direct the Securities Intermediary (without the necessity of obtaining the further consent of the Purchase Contract Agent or any of the Holders), and the Securities Intermediary agrees, to comply with and follow any instructions and "entitlement orders" (as defined in Section 8-102(a)(8) of the Code) that the Collateral Agent on behalf of the Company may give in writing with respect to the Collateral Account, the Collateral credited thereto and any Security Entitlements with respect to any thereof. Such instructions and entitlement orders may, without limitation, direct the Securities Intermediary to

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transfer, redeem, sell, liquidate, assign, deliver or otherwise dispose of the Debt Securities, the Treasury Securities, any Treasury Portfolio and any Security Entitlements with respect thereto and to pay and deliver any income, proceeds or other funds derived therefrom to the Company. The Purchase Contract Agent and the Holders from time to time, acting through the Purchase Contract Agent, each hereby further authorize and direct the Collateral Agent, as agent of the Company, to itself issue instructions and entitlement orders, and to otherwise take action, with respect to the Collateral Account, the Collateral credited thereto and any Security Entitlements with respect thereto, pursuant to the terms and provisions hereof, all without the necessity of obtaining the further consent of the Purchase Contract Agent or any of the Holders. The Collateral Agent shall be the agent of the Company and shall act as directed in writing by the Company. Without limiting the generality of the foregoing, the Collateral Agent shall issue entitlement orders to the Securities Intermediary when and as directed by the Company.

- b. The Securities Intermediary hereby confirms and agrees that: (i) all securities or other property underlying any financial assets credited to the Collateral Account shall be registered in the name of the Securities Intermediary, endorsed to the Securities Intermediary or in blank or credited to another collateral account maintained in the name of the Securities Intermediary and in no case will any financial asset credited to the Collateral Account be registered in the name of the Purchase Contract Agent, the Company or any Holder, or be payable to the order of, or specially indorsed to, the Purchase Contract Agent, the Collateral Agent, the Company or any Holder, except to the extent the foregoing have been specially endorsed to the Securities Intermediary or in blank; (ii) all property delivered to the Securities Intermediary pursuant to this Pledge Agreement (including, without limitation, any Debt Securities, the Applicable Ownership Interest in a Treasury Portfolio or any Treasury Securities) will be promptly credited to the Collateral Account; (iii) the Collateral Account is an account to which financial assets are or may be credited, and the Securities Intermediary shall, subject to the terms of this Agreement, treat the Purchase Contract Agent as the "entitlement holder" (as defined in Section 8-102(a)(7) of the Code) with respect to the Collateral Account; (iv) the Securities Intermediary has not entered into, and until the termination of this Agreement will not enter into, any agreement with any other Person relating to the Collateral Account and/or any financial assets credited thereto pursuant to which it has agreed to comply with "entitlement orders" (as defined in Section 8-102(a)(8) of the Code) of such other Person; and (v) the Securities Intermediary has not entered into, and until the termination of this Agreement will not enter into, any agreement with the Company, the Collateral Agent, the Purchase Contract Agent or the Holders of the Securities

purporting to limit or condition the obligation of the Securities Intermediary to comply with entitlement orders as set forth in this Section 2.2 hereof.

- c. The Securities Intermediary hereby agrees that each item of property (whether investment property, financial asset, security, instrument or cash) credited to the Collateral Account shall be treated as a "financial asset" within the meaning of Section 8-102(a)(9) of the Code.
- d. In the event of any conflict between this Agreement (or any portion hereof) and any other agreement now existing or hereafter entered into, the terms of this Agreement shall prevail.
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- e. The Purchase Contract Agent hereby irrevocably constitutes and appoints the Collateral Agent and the Company, and each of them severally, with full power of substitution, as the Purchase Contract Agent's attorney-in-fact to take on behalf of, and in the name, place and stead of, the Purchase Contract Agent and the Holders, any action necessary or desirable to perfect and to keep perfected the security interest in the Collateral referred to in Section 2.1. The grant of such power-of-attorney shall not be deemed to require of the Collateral Agent any specific duties or obligations not otherwise assumed by the Collateral Agent hereunder.

### ARTICLE III

#### DISTRIBUTIONS ON PLEDGED COLLATERAL

All payments of principal or interest on Pledged Debt Securities, together with any payments of principal or interest, cash distributions or other Proceeds in respect of any other Pledged Securities received by the Collateral Agent that are properly payable hereunder shall be paid by the Collateral Agent by wire transfer in same day funds:

- a. in the case of (A) payment of interest with respect to the Pledged Debt Securities or cash distributions on the Pledged Applicable Ownership Interest in a Treasury Portfolio (as specified in clauses (1)(ii) and (1)(iii) or clause (2)(ii) of the definition of the term Applicable Ownership Interest), as the case may be, and (B) any payments of principal with respect to any Debt Securities or the Applicable Ownership Interest (as specified in clauses (1)(i) or (2)(i) of the definition of such term) in a Treasury Portfolio, as the case may be, that have been released from the Pledge pursuant to Section 4.3 hereof, to the Purchase Contract Agent, for the benefit of the relevant Holders of Income PRIDES, to the account designated by the Purchase Contract Agent for such purpose, no later than 2:00 p.m., New York City time, on the Business Day such payment is received by the Collateral Agent (provided that in the event such payment is received by the Collateral Agent on a day that is not a Business Day or after 12:30 p.m., New York City time, on a Business Day, then such payment shall be made no later than 10:30 a.m., New York City time, on the next succeeding Business Day); except that in the case of a payment of interest with respect to the Pledged Debt Securities on a Reset Date that is not otherwise a Payment Date, the Collateral Agent shall hold such interest amount in a non-interest bearing account and shall pay such interest amount to the Purchase Contract Agent with the next payment pursuant to this clause (a) on the next succeeding Payment Date or on such earlier date falling prior to the Record Date for such next succeeding Payment Date on which (1) Income PRIDES comprised of interest in such Debt Securities are transformed into Growth PRIDES pursuant to Section 3.13 of the Purchase Contract Agreement or (2) Income PRIDES comprised of interest in such Debt Securities are settled early pursuant to Section 5.9 of the Purchase Contract Agreement;
- b. in the case of any principal payments with respect to any Treasury Securities that have been released from the Pledge pursuant to Section 4.3 hereof, to the Holders of the Growth PRIDES to the accounts designated by them in writing to the Collateral Agent for such purpose no later than 2:00 p.m., New York City time, on the Business Day such payment is received by the Collateral Agent (provided that in the event such payment is received by the Collateral Agent on a day that is not a Business Day or after 12:30 p.m., New York City time, on a Business Day, then such payment shall be made no later than 10:30 a.m., New York City time, on the next succeeding Business Day); and
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- c. in the case of payments of the principal of any Pledged Debt Securities or on the Pledged Applicable Ownership Interest in a Treasury Portfolio (as specified in clauses (1)(i) or (2)(i) of the definition of the term Applicable Ownership Interest), as the case may be, or the principal of any Pledged Treasury Securities, to the Company on the Purchase Contract Settlement Date in accordance with the procedure set forth in Section 4.6(a) or 4.6(b) hereof, in full satisfaction of the respective obligations of the Holders under the related Purchase Contracts.

All payments received by the Purchase Contract Agent as provided herein shall be applied by the Purchase Contract Agent pursuant to the provisions of the Purchase Contract Agreement. If, notwithstanding the foregoing, the Purchase Contract Agent or a Holder of Income PRIDES shall receive any payments of principal on account of any Debt Security or, if applicable, any Applicable Ownership Interest (as specified in clauses (1)(i) or (2)(i) of the definition of such term) in a Treasury Portfolio that, at the time of such payment, is a Pledged Debt Security or a Pledged Applicable Ownership Interest in a Treasury Portfolio, as the case may be, or the Purchase Contract Agent or a Holder of Growth PRIDES shall receive any payments of principal on account of any Treasury Securities that, at the time of such payment, are Pledged Treasury Securities, the Purchase Contract Agent or such Holder, as the case may be, shall transfer the Proceeds of such payment of principal on such Pledged Debt Security, Pledged Applicable Ownership Interest in a Treasury Portfolio or Pledged Treasury Securities, as the case may be, to the Collateral Agent and the Collateral Agent shall hold such Proceeds for the benefit of the Company as Collateral for the performance when due by such Holder of its obligations under the related Purchase Contracts.

## SUBSTITUTION, RELEASE, REPLEDGE AND SETTLEMENT OF DEBT SECURITIES

SECTION 4.1 Substitution for Debt Securities and the Creation of Growth PRIDES.

- a. A Holder of an Income PRIDES may create or recreate a Growth PRIDES and separate the Debt Securities or the Applicable Ownership Interest in a Treasury Portfolio, as applicable, from the related Purchase Contract in respect of such Income PRIDES by substituting Treasury Securities for all, but not less than all, of the Debt Securities or Applicable Ownership Interest in a Treasury Portfolio that form a part of such Income PRIDES in accordance with this Section 4.1 and Section 3.13 of the Purchase Contract Agreement. If a Treasury Portfolio has not replaced the Debt Securities as a component of Income PRIDES as a result of a successful remarketing or a Special Event Redemption, such Collateral Substitutions may be made at any time on or prior to the seventh Business Day prior to the Purchase Contract Settlement Date; *provided that* no such Collateral Substitutions may be made during the period commencing on and including the [second] Business Day prior to the first of the three sequential Remarketing Dates comprising a Three-Day Remarketing Period and ending on and including the Reset Date relating to a successful remarketing or, if none of the remarketings during such Three-Day Remarketing Period is successful, the Business Day following the last of the three-day sequential Remarketing Dates occurring during such Three-Day Remarketing Period. If a Treasury Portfolio has replaced Debt Securities as a component of Income PRIDES as a result of a successful remarketing of the Debt Securities or a Special Event Redemption, such Collateral Substitutions may be made at any time on or prior to the second Business Day immediately

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preceding the Purchase Contract Settlement Date. Holders may make Collateral Substitutions and establish Growth PRIDES (i) only in integral multiples of 40 Income PRIDES if Debt Securities are being substituted by Treasury Securities, and (ii) only in integral multiples of \_\_\_\_\_ Income PRIDES (or such other number of Income PRIDES as may be determined by the Remarketing Agent or the Quotation Agent following a successful remarketing of the Debt Securities or a Special Event Redemption, respectively, if the Reset Date or the Special Event Redemption Date, as the case may be, is not an Interest Payment Date) if Applicable Ownership Interests in a Treasury Portfolio are being substituted for Treasury Securities. Any such Collateral Substitution may be effected by the Holder in respect of its Income PRIDES by (a) Transferring to the Collateral Agent Treasury Securities having an aggregate principal amount at maturity equal to the aggregate Stated Amount of such Income PRIDES and (b) delivering such Income PRIDES to the Purchase Contract Agent, accompanied by a notice, substantially in the form of Exhibit B hereto, to the Purchase Contract Agent stating that such Holder has caused a Transfer of Treasury Securities to the Collateral Agent pursuant to clause (a) above (stating the principal amount and the CUSIP numbers of the Treasury Securities Transferred by such Holder) and requesting that the Purchase Contract Agent instruct the Collateral Agent to release from the Pledge the Pledged Debt Securities related to such Income PRIDES, whereupon the Purchase Contract Agent shall promptly give such instruction in writing to the Collateral Agent in the form provided in Exhibit A hereto. Upon receipt of the Treasury Securities from a Holder of Income PRIDES and the related written instruction from the Purchase Contract Agent, the Collateral Agent shall release the Pledged Debt Securities or the Pledged Applicable Ownership Interest in a Treasury Portfolio, as the case may be, and shall promptly Transfer such Pledged Debt Securities or Pledged Applicable Ownership Interest in a Treasury Portfolio, as the case may be, free and clear of the lien, pledge or security interest created hereby, to the Purchase Contract Agent. In addition, if the Collateral Substitution pursuant to this Section 4.1 is effected after a Reset Date which is not also a Payment Date but prior to the Record Date relating to the next following Payment Date, the Collateral Agent shall make the payment required by the last sentence of clause (a) of Article III.

SECTION 4.2 Substitution for Treasury Securities and the Re-Creation of Income PRIDES.

A Holder of a Growth PRIDES may recreate Income PRIDES by depositing with the Collateral Agent Debt Securities or Applicable Ownership Interests in a Treasury Portfolio, as the case may be, having an aggregate principal amount equal to the aggregate principal amount at maturity of, and in substitution for all, but not less than all, of the Treasury Securities comprising part of the Growth PRIDES in accordance with this Section 4.2 and Section 3.14 of the Purchase Contract Agreement. If a Treasury Portfolio has not replaced the Debt Securities as a component of Income PRIDES as a result of a successful remarketing or a Special Event Redemption, such Collateral Substitutions may be made at any time on or prior to the seventh Business Day immediately preceding the Purchase Contract Settlement Date; *provided that* no such Collateral Substitutions may be made during the period commencing on and including the [second] Business Day prior to the first of the three sequential Remarketing Dates comprising a Three-Day Remarketing Period and ending on and including the Reset Date relating to a successful remarketing or, if none of the remarketings during such Three-Day Remarketing Period is successful, the Business Day following the last of the three-day sequential Remarketing Dates occurring during such Three-Day Remarketing Period. If a Treasury Portfolio has

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replaced the Debt Securities as a component of Income PRIDES as a result of a successful remarketing of the Debt Securities or a Special Event Redemption, such Collateral Substitutions may be made at any time on or prior to the second Business Day immediately preceding the Purchase Contract Settlement Date. Holders of Growth PRIDES may make such Collateral Substitutions and establish Income PRIDES (i) only in integral multiples of 40 Growth PRIDES if Treasury Securities are being replaced by Debt Securities, or (ii) only in integral multiples of \_\_\_\_\_ Growth PRIDES (or such other number of Growth PRIDES as may be determined by the Remarketing Agent or the Quotation Agent following a successful remarketing of the Debt Securities or a Special Event Redemption, respectively, if the Reset Date or the Special Event Redemption Date, as the case may be, is not an Interest Payment Date) if the related Treasury Securities are being replaced by Applicable Ownership Interests in a Treasury Portfolio. Any such Collateral Substitution may be effected by the Holder in respect of its Growth PRIDES by (x) Transferring to the Collateral Agent (1) Debt Securities in an aggregate principal amount, or Applicable Ownership Interests in a Treasury Portfolio having a Value, in each case, equal to the aggregate principal amount at maturity of the Treasury Securities comprising part of such Growth PRIDES, and (2) if such Collateral Substitution is effected during the period following a Reset Date which is not also a Payment Date but prior to the Record Date relating to the next succeeding Payment Date, depositing cash with the Collateral Agent in an amount equal to the interest accrued on the Debt Securities that would have been a component of the Income PRIDES to be created had such Income PRIDES been created on or prior to the Reset Date from and including the Interest Payment Date next preceding the Reset Date to but excluding the Reset Date and (y) delivering such Growth PRIDES to the Purchase Contract Agent, accompanied by a notice, substantially in the form of Exhibit B hereto, to the Purchase Contract Agent stating that such Holder has Transferred Debt Securities or Applicable Ownership Interests in a Treasury Portfolio to the Collateral Agent and requesting that the Purchase Contract Agent instruct the Collateral Agent to release from the Pledge the Pledged Treasury Securities related to such Growth PRIDES, whereupon

the Purchase Contract Agent shall give such instruction to the Collateral Agent in the form provided in Exhibit A hereto. Upon receipt of the Debt Securities or the Applicable Ownership Interests in a Treasury Portfolio, the Collateral Agent shall release the related Pledged Treasury Securities and shall promptly Transfer such Pledged Treasury Securities, free and clear of the lien, pledge or security interest created hereby, to the Purchase Contract Agent.

#### SECTION 4.3 Termination Event.

Upon receipt by the Collateral Agent of written notice from the Company or the Purchase Contract Agent that there has occurred a Termination Event, the Collateral Agent shall release all Collateral from the Pledge and shall promptly Transfer any Pledged Debt Securities (or, if (i) a Special Event Redemption or (ii) a successful remarketing of the Debt Securities, as the case may be, has occurred, any Pledged Applicable Ownership Interests in a Treasury Portfolio) and Pledged Treasury Securities to the Purchase Contract Agent for the benefit of the Holders of the Income PRIDES and the Growth PRIDES, respectively, free and clear of any lien, pledge or security interest or other interest created hereby.

If such Termination Event shall result from the Company's becoming a debtor under the Bankruptcy Code, and if the Collateral Agent shall for any reason fail promptly to effectuate the release and Transfer of all Pledged Debt Securities, Pledged Applicable Ownership Interests in a

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Treasury Portfolio or Pledged Treasury Securities, as the case may be, as provided by this Section 4.3, any Holder may, and the Purchase Contract Agent shall, upon receipt from the Holders of reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by the Purchase Contract Agent in compliance with this paragraph, (i) use its reasonable best efforts to obtain an opinion of a nationally recognized law firm reasonably acceptable to the Collateral Agent to the effect that, as a result of the Company being the debtor in such a bankruptcy case, the Collateral Agent will not be prohibited from releasing or Transferring the Collateral as provided in this Section 4.3, and shall deliver such opinion to the Collateral Agent within ten days after the occurrence of such Termination Event, and if (y) any such Holder or the Purchase Contract Agent shall be unable to obtain such opinion within ten days after the occurrence of such Termination Event or (z) the Collateral Agent shall continue, after delivery of such opinion, to refuse to effectuate the release and Transfer of all Pledged Debt Securities, Pledged Applicable Ownership Interests in a Treasury Portfolio or Pledged Treasury Securities, as the case may be, as provided in this Section 4.3, then any Holder may, and the Purchase Contract Agent shall, within 15 days after the occurrence of such Termination Event commence an action or proceeding in the court with jurisdiction of the Company's case under the Bankruptcy Code seeking an order requiring the Collateral Agent to effectuate the release and transfer of all Pledged Debt Securities, Pledged Applicable Ownership Interests in a Treasury Portfolio or Pledged Treasury Securities, as the case may be, as provided by this Section 4.3 or (ii) commence an action or proceeding in the court with jurisdiction of the Company's case under the Bankruptcy Code like that described in subsection (i)(z) hereof within ten days after the occurrence of such Termination Event.

#### SECTION 4.4 Cash Settlement.

- a. Upon receipt by the Collateral Agent of (i) a notice from the Purchase Contract Agent that a Holder of Income PRIDES or Growth PRIDES has elected, in accordance with the procedures specified in Section 5.4(a)(i) or (d)(i) of the Purchase Contract Agreement, respectively, to settle the related Purchase Contracts with Cash and (ii) payment by such Holder of the amount required to settle such Purchase Contracts prior to 11:00 a.m., New York City time, on the Business Day immediately preceding the Purchase Contract Settlement Date in lawful money of the United States by certified or cashiers' check or wire transfer in immediately available funds payable to or upon the order of the Company, then the Collateral Agent shall (i) promptly invest any Cash received from the Holder in connection with a Cash Settlement in Permitted Investments and (ii) release from the Pledge, (a) the Pledged Debt Securities or Pledged Applicable Ownership Interests in a Treasury Portfolio (in the case of a Holder of Income PRIDES) or (b) the Pledged Treasury Securities (in the case of a Holder of Growth PRIDES), in each case that had been components of such Securities, and shall transfer such Debt Securities or Applicable Ownership Interests in a Treasury Portfolio or Treasury Securities, as the case may be, free and clear of the Pledge created hereby, to the Purchase Contract Agent for the benefit of such Holder. Upon receipt of the proceeds upon the maturity of the Permitted Investments on the Purchase Contract Settlement Date, the Collateral Agent shall pay the portion of such proceeds and deliver any certified or cashiers' checks received, in an aggregate amount equal to the Purchase Price, to the Company on the Purchase Contract Settlement Date, and shall distribute any funds in respect of the interest earned from the Permitted Investments to the Purchase Contract Agent for payment to the relevant Holder.
- b. If a Holder of Income PRIDES (unless a Treasury Portfolio has replaced the Debt Securities as a component of the Income PRIDES) fails to notify the Purchase Contract Agent of its intention to make a Cash Settlement in accordance with Section 5.4(a)(i) of the Purchase Contract Agreement, such failure shall constitute a default under the related Purchase Contract and hereunder, and the Holder shall be deemed to have consented to the disposition of the Pledged Debt Securities pursuant to the remarketing as described in Section 5.4(b) of the Purchase Contract Agreement, which is incorporated herein by reference and Section 4.6 hereof, and the Collateral Agent, for the benefit of the Company, will exercise its rights as a secured party with respect to applicable Pledged Debt Securities at the direction of the Company to cause the remarketing of such Pledged Debt Securities. If a Holder of Income PRIDES does notify the Purchase Contract Agent as provided in Section 5.4(a)(i) of the Purchase Contract Agreement of its intention to make a Cash Settlement, but fails to make such payment as required by Section 5.4(a)(ii) of the Purchase Contract Agreement, such failure shall constitute a default under the related Purchase Contract and hereunder, and the Pledged Debt Securities of such a Holder will not be remarketed but instead the Collateral Agent, for the benefit of the Company, will exercise its rights as a secured party with respect to such Debt Securities at the direction of the Company to retain or dispose of the Collateral in accordance with applicable law. In addition, in the event of a Failed Remarketing as described in Section 5.4(b) of the Purchase Contract Agreement, such Failed Remarketing shall constitute a default hereunder by such Holder, and the Collateral Agent, for the benefit of the Company, will also exercise its rights as a secured party with respect to such Debt Securities at the direction of the Company to retain or dispose of the Collateral in accordance with applicable law.

c. If a Holder of Growth PRIDES or Income PRIDES (if a Treasury Portfolio has replaced the Debt Securities as a component of the Income PRIDES) fails to notify the Purchase Contract Agent of such Holder's intention to make a Cash Settlement in accordance with Section 5.4(d)(i) of the Purchase Contract Agreement, or if a Holder of Growth PRIDES or Income PRIDES (if a Treasury Portfolio has replaced the Debt Securities as a component of the Income PRIDES) notifies the Purchase Contract Agent as provided in Section 5.4(d)(i) of the Purchase Contract Agreement of its intention to make a Cash Settlement but fails to make such payment as required by Section 5.4(d)(ii) of the Purchase Contract Agreement, such failure shall constitute a default under the related Purchase Contracts and hereunder by such Holder and upon the maturity of the related Pledged Treasury Securities or the Pledged Applicable Ownership Interests in a Treasury Portfolio, if any, held by the Collateral Agent on the Business Day immediately preceding the Purchase Contract Settlement Date, the principal amount of such Pledged Treasury Securities or Pledged Applicable Ownership Interests in a Treasury Portfolio (as specified in clauses (1)(i) or (2)(i) of the definition of the term "Applicable Ownership Interest") corresponding to such Purchase Contracts received by the Collateral Agent shall, upon written direction of the Company, be invested promptly in Permitted Investments. On the Purchase Contract Settlement Date, an aggregate amount equal to the Purchase Price will be remitted to the Company as payment thereof. In the event the sum of the proceeds from the Pledged Treasury Securities or the Pledged Applicable Ownership Interests in a Treasury Portfolio (as specified in clauses (1)(i) or (2)(i) of the definition of the term "Applicable Ownership Interest"), as the case may be, and the investment earnings earned from such investments, is in excess of the aggregate Purchase Price of the Purchase Contracts being settled thereby, the Collateral Agent will distribute such excess to the Purchase Contract Agent for the benefit of the Holder of the related Growth PRIDES or Income PRIDES when received.

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SECTION 4.5 Early Settlement.

- a. Upon written notice to the Collateral Agent by the Purchase Contract Agent that a Holder of Securities has elected to effect Early Settlement of its obligation under the Purchase Contracts forming a part of such Securities in accordance with the terms of the Purchase Contracts and the Purchase Contract Agreement, and that the Purchase Contract Agent has received from such Holder, and paid to the Company as confirmed in writing by the Company, the related Early Settlement Amount pursuant to the terms of the Purchase Contract and the Purchase Contract Agreement and that all conditions to such Early Settlement have been satisfied, then the Collateral Agent shall release from the Pledge, (a) the Pledged Debt Securities or the Pledged Applicable Ownership Interests in a Treasury Portfolio (in the case of a Holder of Income PRIDES) or (b) the Pledged Treasury Securities (in the case of a Holder of Growth PRIDES), in each case that had been components of such Securities, and shall transfer such Debt Securities or Applicable Ownership Interests in a Treasury Portfolio or Treasury Securities, as the case may be, free and clear of the Pledge created hereby, to the Purchase Contract Agent for the benefit of such Holder. In addition, if a Holder of Securities effects Early Settlement after a Reset Date which is not also a Payment Date but prior to the Record Date relating to the next following Payment Date, the Collateral Agent shall make the payment required by the last sentence of clause (a) of Article III.
- b. Upon a Cash Merger, upon written notice to the Collateral Agent by the Purchase Contract Agent that a Holder of Securities has elected to effect a Cash Merger Early Settlement of its obligation under the Purchase Contracts forming a part of such Securities in accordance with the terms of the Purchase Contracts and the Purchase Contract Agreement, and that the Purchase Contract Agent has received from such Holder, and paid to the Company as confirmed in writing by the Company, the related Cash Merger Early Settlement Amount pursuant to the terms of the Purchase Contracts and the Purchase Contract Agreement and that all conditions to such Cash Merger Early Settlement have been satisfied, then the Collateral Agent shall release from the Pledge, (a) the Pledged Debt Securities or the Pledged Applicable Ownership Interests in a Treasury Portfolio (in the case of a Holder of Income PRIDES) or (b) the Pledged Treasury Securities (in the case of a Holder of Growth PRIDES), in each case that had been components of such Securities, and shall transfer such Debt Securities or Pledged Applicable Ownership Interests in a Treasury Portfolio or Treasury Securities, as the case may be, free and clear of the Pledge created hereby, to the Purchase Contract Agent for the benefit of such Holder. In addition, if a Holder of Securities effects a Cash Merger Early Settlement after a Reset Date which is not also a Payment Date but prior to the Record Date relating to the next following Payment Date, the Collateral Agent shall make the payment required by the last sentence of clause (a) of Article III.

SECTION 4.6 Application of Proceeds; Settlement; Remarketing of Separate Debt Securities.

- a. If a Holder of Income PRIDES, unless a Treasury Portfolio has replaced the Debt Securities, has not elected to make an effective Cash Settlement by notifying the Purchase Contract Agent in the manner provided for in Section 5.4 of the Purchase Contract Agreement or has not made an Early Settlement or Cash Merger Early Settlement of the Purchase Contracts underlying its Income PRIDES, such Holder shall be deemed to have elected to pay for the

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shares of Common Stock to be issued under such Purchase Contracts from the Proceeds of the related Pledged Debt Securities. The Collateral Agent shall by 10:00 a.m., New York City time, on the sixth Business Day immediately preceding the Purchase Contract Settlement Date, without any instruction from such Holder of Income PRIDES, present the related Pledged Debt Securities to the Remarketing Agent for remarketing. Upon receiving such Pledged Debt Securities, the Remarketing Agent will remarket the Pledged Debt Securities pursuant to the terms of the Remarketing Agreement. After deducting the Remarketing Fee from any amount of Proceeds of the remarketing of the Pledged Debt Securities in excess of the aggregate Value of such Debt Securities, the Remarketing Agent will remit the entire amount of the Proceeds of a successful remarketing to the Collateral Agent. On the Purchase Contract Settlement Date, the Collateral Agent shall apply that portion of the Proceeds from such remarketing equal to the aggregate Value of the Pledged Debt Securities, to satisfy in full the obligations of such Holders of Income PRIDES to pay the Purchase Price to purchase the Common Stock under the related Purchase Contracts. The remaining portion of such Proceeds, if any, shall be distributed by the Collateral Agent to the Purchase Contract Agent for payment to the Holders. If the remarketing during the Final Three-Day Remarketing Period results in a Failed Remarketing, the Collateral Agent will, for the benefit, and at the direction of the Company, retain or dispose of the Pledged Debt Securities in accordance with applicable law and satisfy in full, from any such disposition or retention, such Holder's obligation to pay the Purchase Price for the Common Stock under the related Purchase Contracts.

- b. In the event a Holder of Growth PRIDES or, if a Treasury Portfolio has replaced the Debt Securities, Income PRIDES, has not made an Early Settlement of the Purchase Contracts underlying its Growth PRIDES or Income PRIDES, as the case may be, such Holder shall be deemed to have elected to pay for the shares of Common Stock to be issued under such Purchase Contracts from the Proceeds of the related Pledged Treasury Securities or the related Pledged Applicable Ownership Interest in a Treasury Portfolio, as the case may be. On the Business Day immediately prior to the Purchase Contract Settlement Date, the Collateral Agent shall, at the written direction of the Purchase Contract Agent, invest the Cash proceeds of the maturing Pledged Treasury Securities or the Pledged Applicable Ownership Interests in a Treasury Portfolio, as the case may be, in overnight Permitted Investments. Without receiving any instruction from any such Holder of Growth PRIDES or Income PRIDES, the Collateral Agent shall apply the Proceeds of the related Pledged Treasury Securities or Pledged Applicable Ownership Interests in a Treasury Portfolio to the settlement of the related Purchase Contracts on the Purchase Contract Settlement Date. In the event the sum of the Proceeds from the related Pledged Treasury Securities or related Pledged Applicable Ownership Interests in a Treasury Portfolio and the investment earnings from the investment in overnight Permitted Investments is in excess of the aggregate Purchase Price of the Purchase Contracts being settled thereby on the Purchase Contract Settlement Date, the Collateral Agent shall distribute such excess, when received, to the Purchase Contract Agent for the benefit of the Holders.
- c. Pursuant to the Remarketing Agreement, on or prior to the second Business Day immediately preceding the first of the three sequential Remarketing Dates of any Three-Day Remarketing Period, but no earlier than the fifth Business Day immediately preceding such Remarketing Date, holders of Separate Debt Securities may elect to have their Separate Debt Securities remarketed by delivering the Separate Debt Securities, together with a notice of such election, substantially in the form of Exhibit C hereto, to the Custodial Agent. The Custodial

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Agent will hold the Separate Debt Securities in an account separate from the Collateral Account. A holder of Separate Debt Securities electing to have its Separate Debt Securities remarketed will also have the right to withdraw such election by written notice to the Custodial Agent, substantially in the form of Exhibit D hereto, on or prior to the second Business Day immediately preceding the first of the three sequential Remarketing Dates of any Three-Day Remarketing Period, upon which notice the Custodial Agent will return the Separate Debt Securities to such holder. On the Business Day immediately preceding the first of such Remarketing Dates, the Custodial Agent will deliver to the Remarketing Agent for remarketing all Separate Debt Securities delivered to the Custodial Agent pursuant to this Section 4.6(c) and not withdrawn pursuant to the terms hereof prior to such date. After deducting the Remarketing Fee attributable to the Separate Debt Securities from the proceeds from the remarketing of such Separate Debt Securities in excess of the Separate Debt Securities Purchase Price (in the case of a remarketing during the Period for Early Remarketing) or the aggregate Value of the remarketed Separate Debt Securities (in the case of a remarketing during the Final-Three Day Remarketing Period), the Remarketing Agent will remit such proceeds to the Custodial Agent for the benefit of such holders.

If none of the remarketings during a Three-Day Remarketing Period is successful, the Remarketing Agent will promptly return the Separate Debt Securities to the Custodial Agent for redelivery to such holders following the last of the three sequential Remarketing Dates comprising the Three-Day Remarketing Period.

## ARTICLE V

### VOTING RIGHTS - DEBT SECURITIES

The Purchase Contract Agent may exercise, or refrain from exercising, any and all voting and other consensual rights pertaining to the Pledged Debt Securities or any part thereof for any purpose not inconsistent with the terms of this Agreement and in accordance with the terms of the Purchase Contract Agreement; *provided*, that the Purchase Contract Agent shall not exercise or, as the case may be, shall not refrain from exercising such right if, in the judgment of the Company, such action would impair or otherwise have a material adverse effect on the value of all or any of the Pledged Debt Securities; and *provided, further*, that the Purchase Contract Agent shall give the Company and the Collateral Agent at least five days' prior written notice of the manner in which it intends to exercise, or its reasons for refraining from exercising, any such right. Upon receipt of any notices and other communications in respect of any Pledged Debt Securities, including notice of any meeting at which holders of Debt Securities are entitled to vote or solicitation of consents, waivers or proxies of holders of Debt Securities, the Collateral Agent shall use reasonable efforts to send promptly to the Purchase Contract Agent such notice or communication, and as soon as reasonably practicable after receipt of a written request therefor from the Purchase Contract Agent, execute and deliver to the Purchase Contract Agent such proxies and other instruments in respect of such Pledged Debt Securities (in form and substance satisfactory to the Collateral Agent) as are prepared by the Purchase Contract Agent with respect to the Pledged Debt Securities.

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## ARTICLE VI

### RIGHTS AND REMEDIES; SUBSTITUTION OF A TREASURY PORTFOLIO FOR DEBT SECURITIES

#### SECTION 6.1 Rights and Remedies of the Collateral Agent.

- a. In addition to the rights and remedies specified in Section 4.4 hereof or otherwise available at law or in equity, after an event of default hereunder, the Collateral Agent shall have all of the rights and remedies with respect to the Collateral of a secured party under the Uniform Commercial Code (or any successor thereto) as in effect in the State of New York from time to time (the "Code") (whether or not the Code is in effect in the jurisdiction where the rights and remedies are asserted) and the TRADES Regulations and such additional rights and remedies to which a secured party is entitled under the laws in effect in any jurisdiction where any rights and remedies hereunder may be asserted. Wherever reference is made in this Agreement to any section of the Code, such reference shall be deemed to include a reference to any provision of the Code which is a successor to, or amendment of, such section. Without limiting the generality of the foregoing, such remedies may include, to the extent permitted by applicable law, (i) retention of the Pledged Debt Securities or other Collateral in full satisfaction of the Holders' obligations under the Purchase Contracts or (ii) sale of



the Pledged Debt Securities or other Collateral in one or more public or private sales and application of the proceeds in full satisfaction of the Holders' obligations under the Purchase Contracts.

- b. Without limiting any rights or powers otherwise granted by this Agreement to the Collateral Agent, in the event the Collateral Agent is unable to make payments to the Company on account of Pledged Applicable Ownership Interests of a Treasury Portfolio (as specified in clauses (1)(i) or (2)(i) of the definition of the term "Applicable Ownership Interest") or on account of principal payments of any Pledged Treasury Securities as provided in Article III hereof in satisfaction of the obligations of the Holder of the Securities of which such Pledged Treasury Securities, or Pledged Applicable Ownership Interests of a Treasury Portfolio (as specified in clauses (1)(i) or (2)(i) of the definition of the term "Applicable Ownership Interest"), as applicable, is a part under the related Purchase Contracts, the inability to make such payments shall constitute a default hereunder and the Collateral Agent shall have and may exercise, with reference to such Pledged Treasury Securities, or such appropriate Pledged Applicable Ownership Interest of a Treasury Portfolio (as specified in clauses (1)(i) or (2)(i) of the definition of the term "Applicable Ownership Interest"), as applicable, and such obligations of such Holder, any and all of the rights and remedies available to a secured party under the Code and the TRADES Regulations after default by a debtor, and as otherwise granted herein or under any other law.
- c. Without limiting any rights or powers otherwise granted by this Agreement to the Collateral Agent, the Collateral Agent is hereby irrevocably authorized to receive and collect all payments of (i) principal of, or interest on, the Pledged Debt Securities, (ii) the principal amount of the Pledged Treasury Securities, or (iii) the Pledged Applicable Ownership Interests in a Treasury Portfolio, subject, in each case, to the provisions of Article III, and as otherwise provided herein.
- d. The Purchase Contract Agent individually and as attorney-in-fact for each Holder of Securities, in the event such Holder becomes the Holder of Income PRIDES or Growth

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PRIDES, agrees that, from time to time, upon the written request of the Collateral Agent, the Purchase Contract Agent or such Holder, it shall execute and deliver such further documents and do such other acts and things as the Collateral Agent may reasonably request in order to maintain the Pledge, and the perfection and priority thereof, and to confirm the rights of the Collateral Agent hereunder. The Purchase Contract Agent shall have no liability to any Holder for executing any documents or taking any such acts requested by the Collateral Agent hereunder, except for liability for its own negligent act, its own negligent failure to act or its own willful misconduct.

#### SECTION 6.2 Substitution of a Treasury Portfolio for Debt Securities.

- a. Upon the occurrence of a Special Event Redemption prior to the Purchase Contract Settlement Date, the Collateral Agent will, upon the written instruction of the Company and the Purchase Contract Agent, deliver the Applicable Principal Amount of Pledged Debt Securities to the Indenture Trustee for payment of the Redemption Price. The Collateral Agent shall, or in the event the Pledged Debt Securities are registered in the name of the Purchase Contract Agent, the Purchase Contract Agent shall, direct the Indenture Trustee to pay the Redemption Price therefor payable on the Special Event Redemption Date on or prior to 12:30 p.m., New York City time, by check or wire transfer in immediately available funds at such place and at such account as may be designated by the Collateral Agent. In the event the Collateral Agent receives such Redemption Price, subject to the provisions of Section 4.3 hereof, the Collateral Agent will, at the written direction of the Company, apply an amount equal to the Redemption Amount of such Redemption Price to purchase from the Quotation Agent, the Special Event Treasury Portfolio and promptly remit the remaining portion of such Redemption Price to the Purchase Contract Agent for payment to the Holders of Income PRIDES. The Collateral Agent shall Transfer the Special Event Treasury Portfolio to the Collateral Account to secure the obligation of all Holders of Income PRIDES to purchase Common Stock of the Company under the Purchase Contracts constituting a part of such Income PRIDES, in substitution for the Pledged Debt Securities. Thereafter the Collateral Agent shall have such security interests, rights and obligations with respect to the Special Event Treasury Portfolio as it had in respect of the Pledged Debt Securities, as provided in Articles II, III, IV, V and VI hereof, and any reference herein to the Pledged Debt Securities shall be deemed to be a reference to such Special Event Treasury Portfolio.
- b. Upon the successful remarketing of the Debt Securities on any Remarketing Date, the proceeds of the remarketing of any Pledged Debt Securities (after deducting any Remarketing Fee) shall be delivered to the Collateral Agent in exchange for the Pledged Debt Securities. Pursuant to the terms of this Agreement, except in the event of a successful remarketing that occurs on a Remarketing Date during the Final Three-Day Remarketing Period, the Collateral Agent will apply an amount equal to the Remarketing Treasury Portfolio Purchase Price to purchase on behalf of the Holders of Income PRIDES the Remarketing Treasury Portfolio and promptly remit the remaining portion of such proceeds to the Purchase Contract Agent for payment to the Holders of Income PRIDES. The Remarketing Treasury Portfolio will be substituted for the outstanding Pledged Debt Securities, and will be held by the Collateral Agent in accordance with the terms of this Agreement to secure the obligation of each Holder of an Income PRIDES to purchase the Common Stock of the Company on the Purchase Contract Settlement Date under the Purchase Contract constituting a part of such Income PRIDES.

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#### SECTION 6.3 Remarketing During the Period for Early Remarketing.

Unless a Special Event Redemption shall have previously occurred, in connection with a remarketing during the Period for Early Remarketing, the Collateral Agent shall, by 10:00 a.m., New York City time, on the Business Day immediately preceding the first of the three sequential Remarketing Dates of the applicable Three-Day Remarketing Period, without any instruction from any Holder of Income PRIDES, present all Pledged Debt Securities and all Separate Debt Securities whose holders have elected to participate in the remarketing pursuant to Section 4.6(c) hereof to the Remarketing Agent for remarketing pursuant to the Remarketing Agreement. Upon receipt of such Pledged Debt Securities and Separate Debt Securities, the Remarketing Agent will remarket such Debt Securities pursuant to the terms of the Remarketing Agreement. If such remarketing is successful, after deducting the Remarketing Fee from any amount of Proceeds therefrom in excess of the Remarketing Treasury Portfolio Purchase Price and Separate Debt Securities Purchase

Price, the Remarketing Agent will remit the entire amount of the Proceeds of from the remarketing of the Pledged Debt Securities to the Collateral Agent on or prior to 12:00 p.m., New York City time, on the Reset Date. If the Collateral Agent receives such Proceeds, the Collateral Agent will, at the written direction of the Company, apply an amount equal to the Remarketing Treasury Portfolio Purchase Price to purchase from the Quotation Agent the Remarketing Treasury Portfolio and remit the remaining portion of such Proceeds, if any, to the Purchase Contract Agent for payment to the Holders of Income PRIDES. The Collateral Agent shall Transfer the Remarketing Treasury Portfolio to the Collateral Account to secure the obligation of all Holders of Income PRIDES to purchase Common Stock of the Company under the Purchase Contracts constituting a part of such Income PRIDES, in substitution for the Pledged Debt Securities. Thereafter the Collateral Agent shall have such security interests, rights and obligations with respect to the Remarketing Treasury Portfolio as it had in respect of the Pledged Debt Securities as provided in Articles II, III, IV, V and VI hereof, and any reference herein to the Pledged Debt Securities shall be deemed to be a reference to such Remarketing Treasury Portfolio, and any reference herein to interest on the Debt Securities shall be deemed to be a reference to distributions on such Remarketing Treasury Portfolio. If none of the remarketings during a Three-Day Remarketing Period is successful, the Remarketing Agent will promptly return the Pledged Debt Securities to the Collateral Agent for redeposit into the Collateral Account. Such Pledged Debt Securities may be remarketed during one or more following Three-Day Remarketing Periods as provided in the Remarketing Agreement and this Section 6.3.

#### SECTION 6.4 Substitutions.

Whenever a Holder has the right to substitute Treasury Securities, Debt Securities or the appropriate Applicable Ownership Interest in a Treasury Portfolio, as the case may be, for Collateral held by the Collateral Agent, such substitution shall not constitute a novation of the security interest created hereby.

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## ARTICLE VII

### REPRESENTATIONS AND WARRANTIES; COVENANTS

#### SECTION 7.1 Representations and Warranties.

The Holders from time to time, acting through the Purchase Contract Agent as their attorney-in-fact (it being understood that the Purchase Contract Agent shall not be liable for any representation or warranty made by or on behalf of a Holder), hereby represent and warrant to the Collateral Agent, which representations and warranties shall be deemed repeated on each day a Holder Transfers Collateral that:

- a. such Holder has the power to grant a security interest in and lien on the Collateral;
- b. such Holder is the sole beneficial owner of the Collateral and, in the case of Collateral delivered in physical form, is the sole holder of such Collateral and is the sole beneficial owner of, or has the right to Transfer, the Collateral it Transfers to the Collateral Agent, free and clear of any security interest, lien, encumbrance, call, liability to pay money or other restriction other than the security interest and lien granted under Article II hereof;
- c. upon the Transfer of the Collateral to the Collateral Account or physical delivery of the Debt Securities to the Collateral Agent, the Collateral Agent, for the benefit of the Company, will have a valid and perfected first priority security interest therein (assuming that any central clearing operation or any intermediary or other entity not within the control of the Holder involved in the Transfer of the Collateral, including the Collateral Agent, gives the notices and takes the action required of it hereunder and under applicable law for perfection of that interest and assuming the establishment and exercise of control pursuant to Section 2.2 hereof); and
- d. the execution and performance by the Holder of its obligations under this Agreement will not result in the creation of any security interest, lien or other encumbrance on the Collateral other than the security interest and lien granted under Article II hereof or violate any provision of any existing law or regulation applicable to it or of any mortgage, charge, pledge, indenture, contract or undertaking to which it is a party or which is binding on it or any of its assets.

#### SECTION 7.2 Covenants.

The Holders from time to time, acting through the Purchase Contract Agent as their attorney-in-fact (it being understood that the Purchase Contract Agent shall not be liable for any covenant made by or on behalf of a Holder), hereby covenant to the Collateral Agent that for so long as the Collateral remains subject to the Pledge:

- a. neither the Purchase Contract Agent nor such Holders will create or purport to create or allow to subsist any mortgage, charge, lien, pledge or any other security interest whatsoever over the Collateral or any part of it other than pursuant to this Agreement; and
  - b. neither the Purchase Contract Agent nor such Holders will sell or otherwise
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dispose (or attempt to dispose) of the Collateral or any part of it except for the beneficial interest therein, subject to the pledge hereunder, transferred in connection with the Transfer of the Securities.

## ARTICLE VIII

### THE COLLATERAL AGENT

#### SECTION 8.1 Appointment, Powers and Immunities.

The Collateral Agent shall act as agent for the Company hereunder with such powers as are specifically vested in the Collateral Agent by the terms of this Agreement, together with such other powers as are reasonably incidental thereto. Each of the Collateral Agent, the Custodial Agent and the Securities Intermediary: (a) shall have no duties or responsibilities, except those expressly set forth in or incorporated into this Agreement, and no implied covenants or obligations shall be inferred from this Agreement against any of them, nor shall any of them be bound by the provisions of any agreement by any party hereto beyond the specific or incorporated terms hereof; (b) shall not be responsible for any recitals contained in this Agreement, or in any certificate or other document referred to or provided for in, or received by it under, this Agreement, the Securities or the Purchase Contract Agreement (except as specifically incorporated by reference herein), or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement (other than as against the Collateral Agent, the Custodial Agent or the Securities Intermediary), the Securities or the Purchase Contract Agreement or any other document referred to or provided for herein (except as specifically incorporated by reference herein) or therein or for any failure by the Company or any other Person (except the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be) to perform any of its obligations hereunder or thereunder or for the perfection, priority or, except as expressly required hereby, maintenance of any security interest created hereunder; (c) shall not be required to initiate or conduct any litigation or collection proceedings hereunder (except in the case of the Collateral Agent, pursuant to directions furnished under Section 8.2 hereof, subject to Section 8.6 hereof); (d) shall not be responsible for any action taken or omitted to be taken by it hereunder or under any other document or instrument referred to or provided for herein or in connection herewith or therewith, except for its own negligence, willful misconduct or bad faith; and (e) shall not be required to advise any party as to selling or retaining, or taking or refraining from taking any action with respect to, the Securities or other property deposited hereunder in accordance with the terms hereof. Subject to the foregoing, during the term of this Agreement, the Collateral Agent shall take all reasonable action in connection with the safekeeping and preservation of the Collateral hereunder.

No provision of this Agreement shall require the Collateral Agent, the Custodial Agent or the Securities Intermediary to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder. In no event shall the Collateral Agent, the Custodial Agent or the Securities Intermediary be liable for any amount in excess of the Value of the Collateral. Notwithstanding the foregoing, the Collateral Agent, the Custodial Agent and the Securities Intermediary, each in its individual capacity, hereby waive any right of

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setoff, bankers lien, liens or perfection rights as Securities Intermediary or any counterclaim with respect to any of the Collateral.

The Collateral Agent shall have no obligation to file UCC financing statements. Except in the event of the gross negligence, bad faith or willful misconduct of the Collateral Agent, the Collateral Agent shall not be responsible for the form, execution, validity, value or genuineness of documents or securities deposited hereunder, or any description therein, or for the identity, authority or rights of persons executing or delivering or purporting to execute or deliver any such document, security or endorsement.

#### SECTION 8.2 Instructions of the Company.

The Company shall have the right, by one or more instruments in writing executed and delivered to the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be, to direct the time, method and place of conducting any proceeding for the realization of any right or remedy available to the Collateral Agent, or of exercising any power conferred on the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be, or to direct the taking or refraining from taking of any action authorized by this Agreement; *provided, however*, that (i) such direction shall not conflict with the provisions of any law or of this Agreement and (ii) the Collateral Agent, the Custodial Agent and the Securities Intermediary shall be adequately indemnified as provided herein. Nothing in this Section 8.2 shall impair the right of the Collateral Agent in its discretion to take any action or omit to take any action which it deems proper and which is not inconsistent with such direction.

#### SECTION 8.3 Reliance by Collateral Agent.

Each of the Securities Intermediary, the Custodial Agent and the Collateral Agent shall be entitled conclusively to rely upon any certification, order, judgment, opinion, notice or other communication (including, without limitation, any thereof by telephone, telecopy, telex or facsimile) believed by it to be genuine and correct and to have been signed or sent by or on behalf of the proper Person or Persons (without being required to determine the correctness of any fact stated therein), and upon advice and statements of legal counsel and other experts selected by the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be. As to any matters not expressly provided for by this Agreement, the Collateral Agent, the Custodial Agent and the Securities Intermediary shall, in all cases, be fully protected in acting, or in refraining from acting, hereunder in accordance with instructions given by the Company in accordance with this Agreement.

#### SECTION 8.4 Rights in Other Capacities.

The Collateral Agent, the Custodial Agent and the Securities Intermediary and their affiliates may (without having to account therefor to the Company) accept deposits from, lend money to, make their investments in and generally engage in any kind of banking, trust or other business with the Purchase Contract Agent and any Holder of Securities (and any of their respective subsidiaries or affiliates) as

if it were not acting as the Collateral Agent, the Custodial Agent or the Securities Intermediary, as the case may be, and the Collateral Agent, the Custodial Agent and the Securities Intermediary and their affiliates may accept fees and other

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consideration from the Purchase Contract Agent and any Holder of Securities without having to account for the same to the Company; *provided* that each of the Securities Intermediary, the Custodial Agent and the Collateral Agent covenants and agrees with the Company that it shall not accept, receive or permit there to be created in favor of itself and shall take no affirmative action to permit there to be created in favor of any other Person, any security interest, lien or other encumbrance of any kind in or upon the Collateral.

#### SECTION 8.5 Non-Reliance on Collateral Agent.

None of the Securities Intermediary, the Custodial Agent or the Collateral Agent shall be required to keep itself informed as to the performance or observance by the Purchase Contract Agent or any Holder of Securities of this Agreement, the Purchase Contract Agreement, the Securities or any other document referred to or provided for herein or therein or to inspect the properties or books of the Purchase Contract Agent or any Holder of Securities. The Collateral Agent, the Custodial Agent and the Securities Intermediary shall not have any duty or responsibility to provide the Company with any credit or other information concerning the affairs, financial condition or business of the Purchase Contract Agent or any Holder of Securities (or any of their respective affiliates) that may come into the possession of the Collateral Agent, the Custodial Agent or the Securities Intermediary or any of their respective affiliates.

#### SECTION 8.6 Compensation and Indemnity.

The Company agrees: (i) to pay each of the Collateral Agent and the Custodial Agent from time to time such compensation as shall be agreed in writing between the Company and the Collateral Agent or the Custodial Agent, as the case may be, for all services rendered by each of them hereunder and (ii) to indemnify the Collateral Agent, the Custodial Agent and the Securities Intermediary for, and to hold each of them harmless from and against, any loss, liability, claim or reasonable out-of-pocket expense incurred without negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration of its powers and duties under this Agreement, including the reasonable out-of-pocket costs and expenses (including reasonable fees and expenses of counsel) of defending itself against any claim or liability in connection with the exercise or performance of such powers and duties. The Collateral Agent, the Custodial Agent and the Securities Intermediary shall each promptly notify the Company of any third party claim which may give rise to indemnity hereunder and give the Company the opportunity to participate in the defense of such claim with counsel reasonably satisfactory to the indemnified party, and no such claim shall be settled without the written consent of the Company, which consent shall not be unreasonably withheld.

#### SECTION 8.7 Failure to Act.

In the event of any ambiguity in the provisions of this Agreement or any dispute between or conflicting claims by or among the parties hereto or any other Person with respect to any funds or property deposited hereunder, the Collateral Agent and the Custodial Agent shall be entitled, after prompt notice to the Company and the Purchase Contract Agent, at its sole option, to refuse to comply with any and all claims, demands or instructions with respect to such

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property or funds so long as such dispute or conflict shall continue, and neither the Collateral Agent nor the Custodial Agent shall be or become liable in any way to any of the parties hereto for its failure or refusal to comply with such conflicting claims, demands or instructions. The Collateral Agent and the Custodial Agent shall be entitled to refuse to act until either (i) such conflicting or adverse claims or demands shall have been finally determined by a court of competent jurisdiction or settled by agreement between the conflicting parties as evidenced in a writing, satisfactory to the Collateral Agent or the Custodial Agent, as the case may be, or (ii) the Collateral Agent or the Custodial Agent, as the case may be, shall have received security or an indemnity satisfactory to the Collateral Agent or the Custodial Agent, as the case may be, sufficient to save the Collateral Agent or the Custodial Agent, as the case may be, harmless from and against any and all loss, liability or reasonable out-of-pocket expense which the Collateral Agent or the Custodial Agent, as the case may be, may without negligence, willful misconduct or bad faith on its part incur by reason of its acting. The Collateral Agent or the Custodial Agent may, in addition, elect to commence an interpleader action or seek other judicial relief or orders as the Collateral Agent or the Custodial Agent, as the case may be, may deem necessary. Notwithstanding anything contained herein to the contrary, neither the Collateral Agent nor the Custodial Agent shall be required to take any action that is, in its opinion, contrary to law or to the terms of this Agreement or which would, in its opinion, subject it or any of its officers, employees or directors to liability.

#### SECTION 8.8 Resignation of Collateral Agent.

Subject to the appointment and acceptance of a successor Collateral Agent or Custodial Agent as provided below, (a) the Collateral Agent and the Custodial Agent may resign at any time by giving notice thereof to the Company and the Purchase Contract Agent as attorney-in-fact for the Holders of Securities, (b) the Collateral Agent and the Custodial Agent may be removed at any time by the Company, (c) if the Collateral Agent or the Custodial Agent fails to perform any of its material obligations hereunder in any material respect for a period of not less than 20 days after receiving written notice of such failure by the Purchase Contract Agent and such failure shall be continuing, the Collateral Agent or the Custodial Agent may be removed by the Purchase Contract Agent, and (d) if the Collateral Agent, the Custodial Agent or the Securities Intermediary is the same Person as the Purchase Contract Agent and an event of default occurs under the Purchase Contract Agreement or this Agreement, except an event of default resulting from the occurrence of a Failed Remarketing, the Collateral Agent, the Custodial Agent or the Securities Intermediary shall resign immediately in accordance with the provisions of this Section 8.8. The Purchase Contract Agent shall promptly notify the Company of any removal of the Collateral Agent pursuant to clause (c) of the immediately preceding sentence. Upon any such resignation or removal, the Company shall have the right to appoint a successor Collateral Agent or Custodial Agent, as the case may be. If no successor Collateral Agent or Custodial Agent, as the case may be, shall have been so appointed and shall have accepted such appointment within 30 days after the retiring Collateral Agent's or Custodial Agent's giving of notice of resignation or such removal, then the

retiring Collateral Agent or Custodial Agent, as the case may be, may petition any court of competent jurisdiction for the appointment of a successor Collateral Agent or Custodial Agent, as the case may be. Each of the Collateral Agent and the Custodial Agent shall be a bank which has an office in New York, New York with a combined capital and surplus of at least \$75,000,000. Upon the acceptance of any appointment as Collateral Agent or Custodial Agent hereunder, as the case may be, by a

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successor Collateral Agent or Custodial Agent, as the case may be, such successor shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Collateral Agent or Custodial Agent, as the case may be, and the retiring Collateral Agent or Custodial Agent, as the case may be, shall take all appropriate action to transfer any money and property held by it hereunder (including the Collateral) to such successor. The retiring Collateral Agent or Custodial Agent shall, upon such succession, be discharged from its duties and obligations as Collateral Agent or Custodial Agent hereunder. After any retiring Collateral Agent's or Custodial Agent's resignation as Collateral Agent or Custodial Agent hereunder, the provisions of this Article VIII shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as the Collateral Agent or Custodial Agent. Any resignation or removal of the Collateral Agent here under shall be deemed for all purposes of this Agreement as the simultaneous resignation or removal of the Custodial Agent and the Securities Intermediary.

SECTION 8.9 Right to Appoint Agent or Advisor.

The Collateral Agent shall have the right to appoint agents or advisors in connection with any of its duties hereunder, and the Collateral Agent shall not be liable for any action taken or omitted by, or in reliance upon the advice of, such agents or advisors selected in good faith. The appointment of agents pursuant to this Section 8.9 shall be subject to prior consent of the Company, which consent shall not be unreasonably withheld.

SECTION 8.10 Survival.

The provisions of this Article VIII shall survive termination of this Agreement and the resignation or removal of the Collateral Agent or the Custodial Agent.

SECTION 8.11 Exculpation.

Anything in this Agreement to the contrary notwithstanding, in no event shall any of the Collateral Agent, the Custodial Agent or the Securities Intermediary or any of their officers, employees or agents be liable under this Agreement to any third party for indirect, special, punitive or consequential loss or damage of any kind whatsoever, including, but not limited to, lost profits, whether or not the likelihood of such loss or damage was known to the Collateral Agent, the Custodial Agent or the Securities Intermediary, or any of them, incurred without any act or deed that is found to be attributable to gross negligence or willful misconduct on the part of the Collateral Agent, the Custodial Agent or the Securities Intermediary.

ARTICLE IX

AMENDMENT

SECTION 9.1 Amendment without Consent of Holders.

Without the consent of any Holders or the holders of any Separate Debt Securities, the Company, the Collateral Agent, the Custodial Agent, the Securities Intermediary and the Purchase Contract Agent, at any time and from time to time, may amend this Agreement, in

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form satisfactory to the Company, the Collateral Agent, the Custodial Agent, the Securities Intermediary and the Purchase Contract Agent, for any of the following purposes:

- a. to evidence the succession of another Person to the Company, and the assumption by any such successor of the covenants of the Company; or
- b. to add to the covenants of the Company for the benefit of the Holders or to surrender any right or power herein conferred upon the Company so long as such covenants or such surrender do not adversely affect the validity, perfection or priority of the security interests granted or created hereunder; or
- c. to evidence and provide for the acceptance of appointment hereunder by a successor Collateral Agent, Custodial Agent, Securities Intermediary or Purchase Contract Agent; or
- d. to cure any ambiguity, to correct or supplement any provisions herein which may be inconsistent with any other such provisions herein or to make any other provisions with respect to such matters or questions arising under this Agreement, provided such action shall not adversely affect the interests of the Holders.

SECTION 9.2 Amendment with Consent of Holders.

With the consent of the Holders of not less than a majority of the Purchase Contracts at the time outstanding, by Act of said Holders delivered to the Company, the Purchase Contract Agent or the Collateral Agent, as the case may be, the Company, the Purchase Contract Agent, the Collateral Agent, the Custodial Agent and the Securities Intermediary may amend this Agreement for the purpose of modifying in any manner the provisions of this Agreement or the rights of the Holders in respect of the Securities; *provided, however*, that no such supplemental agreement shall, without the consent of the Holder of each Outstanding Security adversely affected thereby,

- a. impair the right of the Holder of any Security to receive distributions on the underlying Collateral or otherwise adversely affect the Holder's rights in or to such Collateral; or
- b. otherwise effect any action that would require the consent of the Holder of each Outstanding Security affected thereby pursuant to the Purchase Contract Agreement if such action were effected by an agreement supplemental thereto; or
- c. reduce the percentage of Purchase Contracts the consent of whose Holders is required for any such amendment.

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

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SECTION 9.3 Execution of Amendments.

In executing any amendment permitted by this Section, the Collateral Agent, the Custodial Agent, the Securities Intermediary and the Purchase Contract Agent shall be provided with, upon its reasonable request, and entitled to receive and (subject to Section 6.1 hereof, with respect to the Collateral Agent, and Section 7.1 of the Purchase Contract Agreement, with respect to the Purchase Contract Agent) shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such amendment is authorized or permitted by this Agreement and that all conditions precedent, if any, to the execution and delivery of such amendment have been satisfied.

SECTION 9.4 Effect of Amendments.

Upon the execution of any amendment under this Article IX, this Agreement shall be modified in accordance therewith, and such amendment shall form a part of this Agreement for all purposes; and every Holder of Securities theretofore or thereafter authenticated, executed on behalf of the Holders and delivered under the Purchase Contract Agreement shall be bound thereby.

SECTION 9.5 Reference to Amendments.

Security Certificates authenticated, executed on behalf of the Holders and delivered after the execution of any amendment pursuant to this Article IX may, and shall if required by the Collateral Agent or the Purchase Contract Agent, bear a notation in form approved by the Purchase Contract Agent and the Collateral Agent as to any matter provided for in such amendment. If the Company shall so determine, new Security Certificates so modified as to conform, in the opinion of the Collateral Agent, the Purchase Contract Agent and the Company, to any such amendment may be prepared and executed by the Company and authenticated, executed on behalf of the Holders and delivered by the Purchase Contract Agent in accordance with the Purchase Contract Agreement in exchange for Outstanding Security Certificates.

ARTICLE X

MISCELLANEOUS

SECTION 10.1 No Waiver.

No failure on the part of the Collateral Agent or any of its agents to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by the Collateral Agent or any of its agents of any right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy

The remedies herein are cumulative and are not exclusive of any remedies provided by law.

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SECTION 10.2 Governing Law.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. Without limiting the foregoing, the above choice of law is expressly agreed to by the Company, the Securities Intermediary, the Custodial Agent, the Collateral Agent and the Holders from time to time acting through the Purchase Contract Agent, as their attorney-in-fact, in connection with the establishment and maintenance of the Collateral Account. The Company, the Collateral Agent and the Holders from time to time of the Securities, acting through the Purchase Contract Agent as their attorney-in-fact, hereby submit to the nonexclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York state court sitting in New York City for the purposes of all legal proceedings arising out of or relating to this Agreement or the transactions contemplated hereby. The Company, the Collateral Agent and the Holders from time to time of the Securities, acting through the Purchase Contract Agent as their attorney-in-fact, irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum.

SECTION 10.3 Notices.

All notices, requests, consents and other communications provided for herein (including, without limitation, any modifications of, or waivers or consents under, this Agreement) shall be given or made in writing (including, without limitation, by telecopy) delivered to the intended recipient at the "Address for Notices" specified below its name on the signature pages hereof (or in the case of Holders, may be made and deemed given as provided in Sections 1.5 and 1.6 of the Purchase Contract Agreement) or, as to any party, at such other address as shall be designated by such party in a written notice to each of the other parties. Except as otherwise provided in this Agreement, all such communications shall be deemed to have been duly given when transmitted by telecopier or personally delivered or, in the case of a mailed notice, upon receipt, in each case given or addressed as aforesaid (except as aforesaid).

SECTION 10.4 Successors and Assigns.

This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the Company, the Collateral Agent, the Custodial Agent, the Securities Intermediary and the Purchase Contract Agent, and the Holders from time to time of the Securities, by their acceptance of the same, shall be deemed to have agreed to be bound by the provisions hereof and to have ratified the agreements of, and the grant of the Pledge hereunder by, the Purchase Contract Agent.

SECTION 10.5 Counterparts.

This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties hereto may execute this Agreement by signing any such counterpart.

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SECTION 10.6 Severability.

If any provision hereof is invalid and unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (i) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in order to carry out the intentions of the parties hereto as nearly as may be possible and (ii) the invalidity or unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

SECTION 10.7 Expenses, Etc.

The Company agrees to reimburse the Collateral Agent and the Custodial Agent for: (a) all reasonable out-of-pocket costs and expenses of the Collateral Agent and the Custodial Agent (including, without limitation, the reasonable fees and expenses of the necessary services of a Securities Intermediary and of counsel to the Collateral Agent and the Custodial Agent), in connection with (i) the negotiation, preparation, execution and delivery or performance of this Agreement and (ii) any modification, supplement or waiver of any of the terms of this Agreement; (b) all reasonable costs and expenses of the Collateral Agent (including, without limitation, reasonable fees and expenses of counsel) in connection with (i) any enforcement or proceedings resulting or incurred in connection with causing any Holder of Securities to satisfy its obligations under the Purchase Contracts forming a part of the Securities and (ii) the enforcement of this Section 10.7; and (c) all transfer, stamp, documentary or other similar taxes, assessments or charges levied by any governmental or revenue authority in respect of this Agreement or any other document referred to herein and all costs, expenses, taxes, assessments and other charges incurred in connection with any filing, registration, recording or perfection of any security interest contemplated hereby.

SECTION 10.8 Security Interest Absolute.

All rights of the Collateral Agent and security interests hereunder, and all obligations of the Holders from time to time hereunder, shall be absolute and unconditional irrespective of:

- a. any lack of validity or enforceability of any provision of the Purchase Contracts or the Securities or any other agreement or instrument relating thereto;

b. any change in the time, manner or place of payment of, or any other term of, or any increase in the amount of, all or any of the obligations of Holders of Securities under the related Purchase Contracts, or any other amendment or waiver of any term of, or any consent to any departure from any requirement of, the Purchase Contract Agreement or any Purchase Contract or any other agreement or instrument relating thereto; or

c. any other circumstance which might otherwise constitute a defense available to, or discharge of, a borrower, a guarantor or a pledgor.

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

Great Plains Energy Incorporated

By: \_\_\_\_\_

Name:

Title:

Address for Notices:

Great Plains Energy Incorporated

1201 Walnut Street

Kansas City, Missouri 64106-2124

Attention: Andrea F. Bielsker, Senior Vice President - Finance, Chief Financial Officer and Treasurer

with a copy to Jeanie Sell Latz, Esq., Executive Vice President - Corporate and Shared Services and Secretary

BNY Midwest Trust Company, as Purchase Contract Agent and as attorney-in-fact of the Holders from time to time of the Securities

By: \_\_\_\_\_

Name:

Title:

Address for Notices:

BNY Midwest Trust Company,

as Collateral Agent, Custodial

Agent and as Securities Intermediary

By: \_\_\_\_\_

Name:

Title:

Address for Notices:

EXHIBIT A

INSTRUCTION FROM PURCHASE CONTRACT AGENT TO COLLATERAL AGENT

BNY Midwest Trust Company, as Collateral Agent

\_\_\_\_\_

Attention: \_\_\_\_\_

Re: Securities of Great Plains Energy Incorporated (the "Company")

We hereby notify you in accordance with Section {4.1} {4.2} of the Pledge Agreement, dated as of \_\_\_\_\_ (the "Pledge Agreement"), among the Company, yourselves, as Collateral Agent, Custodial Agent and Securities Intermediary, and ourselves, as Purchase Contract Agent and as attorney-in-fact for the Holders of {Income PRIDES} {Growth PRIDES} from time to time, that the Holder of securities listed below (the "Holder") has elected to substitute \$\_\_\_\_ {principal amount at maturity of Treasury Securities} {principal amount of Debt Securities} {the Applicable Ownership Interest in the {Remarketing}{Special Event} Treasury Portfolio} in exchange for an equal Value of {Pledged Debt Securities} {the Pledged Applicable Ownership Interest in the {Remarketing} {Special Event} Treasury Portfolio} {Pledged Treasury Securities} held by you in accordance with the Pledge Agreement and has delivered to us a notice stating that the Holder has Transferred {Debt Securities} {the Applicable Ownership Interest in the {Remarketing} {Special Event} Treasury Portfolio} {Treasury Securities} to you, as Collateral Agent {and cash in an amount specified in Section 4.2 of the Pledge



Agreement}. We hereby instruct you, upon receipt of such {Treasury Securities} {Debt Securities} {Applicable Ownership Interest in the {Remarketing} {Special Event} Treasury Portfolio} so Transferred {and the cash in an amount specified in Section 4.2 of the Pledge Agreement}, to release the {Pledged Debt Securities} {Pledged Applicable Ownership Interest in the {Remarketing} {Special Event} Treasury Portfolio} {Pledged Treasury Securities} related to such {Income PRIDES} {Growth PRIDES} {and to deliver cash in an amount specified in Section 4.1 of the Pledge Agreement} to us in accordance with the Holder's instructions. Capitalized terms used herein but not defined shall have the meaning set forth or incorporated by reference in the Pledge Agreement.

Date: \_\_\_\_\_ By: \_\_\_\_\_  
Name:  
Title:  
Signature Guarantee: \_\_\_\_\_

Please print name and address of registered Holder electing to substitute {Treasury Securities} {Debt Securities} {Applicable Ownership Interest in a Treasury Portfolio} for {Pledged Debt Securities or Pledged Applicable Ownership Interest in a Treasury Portfolio} {Pledged Treasury Securities}:

\_\_\_\_\_  
Name Social Security or other Taxpayer  
Identification Number, if any  
  
\_\_\_\_\_  
Address  
  
\_\_\_\_\_  
  
\_\_\_\_\_

EXHIBIT B

INSTRUCTION TO PURCHASE CONTRACT AGENT

*BNY Midwest Trust Company*

\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

Re: Securities of Great Plains Energy Incorporated (the "Company")

The undersigned Holder hereby notifies you that it has delivered to BNY Midwest Trust Company, as Collateral Agent, \$\_\_\_\_ {principal amount at maturity of Treasury Securities} {principal amount of Debt Securities} {of the Applicable Ownership Interest in the {Remarketing} {Special Event} Treasury Portfolio} in exchange for an equal Value of {Pledged Debt Securities} {Pledged Applicable Ownership Interest in the {Remarketing} {Special Event} Treasury Portfolio} {Pledged Treasury Securities} held by the Collateral Agent, in accordance with Section {4.1} {4.2} of the Pledge Agreement, dated as of \_\_\_\_\_, 2004 (the "Pledge Agreement"), among you, the Company and the Collateral Agent {as well as cash in an amount specified in Section 4.1 of the Pledge Agreement}. The undersigned Holder hereby instructs you to instruct the Collateral Agent to release to you on behalf of the undersigned Holder the {Pledged Debt Securities} {the Pledged Applicable Ownership Interest in the {Remarketing} {Special Event} Treasury Portfolio} {Pledged Treasury Securities} {cash in an amount specified in Section 4.2 of the Pledge Agreement} related to such {Income PRIDES} {Growth PRIDES}. Capitalized terms used herein but not defined shall have the meaning set forth or incorporated by reference in the Pledge Agreement.

Date: \_\_\_\_\_ By: \_\_\_\_\_  
Name:  
Title:  
Signature Guarantee: \_\_\_\_\_

Please print name and address of Registered Holder:

Name: Social Security or other Taxpayer  
Identification Number, if any  
  
Address:  
  
\_\_\_\_\_  
  
\_\_\_\_\_  
  
\_\_\_\_\_

EXHIBIT C

INSTRUCTION TO CUSTODIAL AGENT REGARDING REMARKETING

Re: Securities of Great Plains Energy Incorporated (the "Company")

The undersigned hereby notifies you in accordance with Section 4.6(c) of the Pledge Agreement, dated as of \_\_\_\_\_, 2004 (the "Pledge Agreement"), among the Company, yourselves, as Collateral Agent, Securities Intermediary and Custodial Agent, and BNY Midwest Trust Company, as Purchase Contract Agent and as attorney-in-fact for the Holders of Income PRIDES and Growth PRIDES from time to time, that the undersigned elects to deliver \$\_\_\_\_\_ principal amount of Debt Securities for delivery to the Remarketing Agent on the Business Day immediately preceding the first of the three sequential Remarketing Dates of the applicable Three-Day Remarketing Period for remarketing pursuant to Section 4.6(c) of the Pledge Agreement. The undersigned will, upon request of the Remarketing Agent, execute and deliver any additional documents deemed by the Remarketing Agent or by the Company to be necessary or desirable to complete the sale, assignment and transfer of the Debt Securities tendered hereby.

The undersigned hereby instructs you, upon receipt of the Proceeds of such remarketing from the Remarketing Agent to deliver such Proceeds to the undersigned in accordance with the instructions indicated herein under "A. Payment Instructions." The undersigned hereby instructs you, in the event that none of the remarketings during the Three-Day Remarketing Period is successful, upon receipt of the Debt Securities tendered herewith from the Remarketing Agent, to deliver such Debt Securities to the person(s) and the address(es) indicated herein under "B. Delivery Instructions."

With this notice, the undersigned hereby (i) represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer the Debt Securities tendered hereby and that the undersigned is the record owner of any Debt Securities tendered herewith in physical form or a participant in The Depository Trust Company ("DTC") and the beneficial owner of any Debt Securities tendered herewith by book-entry transfer to your account at DTC and (ii) agrees to be bound by the terms and conditions of Section 4.6(c) of the Pledge Agreement. Capitalized terms used herein but not defined shall have the meaning set forth or incorporated by reference in the Pledge Agreement.

Date: \_\_\_\_\_ By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Signature Guarantee: \_\_\_\_\_

Name: \_\_\_\_\_ Social Security or other Taxpayer Identification Number, if any

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

A. PAYMENT INSTRUCTIONS

B. DELIVERY INSTRUCTIONS

Proceeds of the remarketing should be paid by check in the name of the person(s) set forth below and mailed to the address set forth below.

In the event of a Failed Remarketing, Debt Securities that are in physical form should be delivered to the person(s) set forth below and mailed to the address set forth below.

Name(s): \_\_\_\_\_  
(Please Print)

Name(s): \_\_\_\_\_  
(Please Print)

Address: \_\_\_\_\_  
(Please Print)

Address: \_\_\_\_\_  
(Please Print)

\_\_\_\_\_  
(Zip Code)

\_\_\_\_\_  
(Zip Code)

\_\_\_\_\_  
(Tax Identification or Social Security Number)

\_\_\_\_\_  
(Tax Identification or Social Security Number)

In the event of a Failed Remarketing, Debt Securities that are in book-entry form should be credited to the account at The Depository

Trust Company set forth below.

\_\_\_\_\_

DTC Account Number: \_\_\_\_\_

Name of Account  
Party: \_\_\_\_\_

EXHIBIT D

INSTRUCTION TO CUSTODIAL AGENT REGARDING  
WITHDRAWAL FROM REMARKETING

BNY Midwest Trust Company, as Custodial Agent

\_\_\_\_\_  
\_\_\_\_\_

Attention: \_\_\_\_\_

Re: Securities of Great Plains Energy Incorporated (the "Company")

The undersigned hereby notifies you in accordance with Section 4.6(c) of the Pledge Agreement, dated as of \_\_\_\_\_, 2004 (the "Pledge Agreement"), among the Company, yourselves, as Collateral Agent, Securities Intermediary and Custodial Agent and BNY Midwest Trust Company, as Purchase Contract Agent and as attorney-in-fact for the Holders of Income PRIDES and Growth PRIDES from time to time, that the undersigned elects to withdraw the \$\_\_\_\_\_ principal amount of Debt Securities delivered to the Custodial Agent on \_\_\_\_\_ for remarketing pursuant to Section 4.6(c) of the Pledge Agreement. The undersigned hereby instructs you to return such Debt Securities to the undersigned in accordance with the undersigned's instructions. With this notice, the Undersigned hereby agrees to be bound by the terms and conditions of Section 4.6(c) of the Pledge Agreement. Capitalized terms used herein but not defined shall have the meaning set forth or incorporated in the Pledge Agreement.

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name:

Title:

Signature Guarantee: \_\_\_\_\_

Name: \_\_\_\_\_

Social Security or other Taxpayer  
Identification Number, if any

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## REMARKETING AGREEMENT

REMARKETING AGREEMENT, dated as of \_\_\_\_\_, \_\_\_\_\_ (the "**Remarketing Agreement**"), by and among Great Plains Energy Incorporated, a Missouri corporation (the "**Company**"), BNY Midwest Trust Company, not individually but solely as Purchase Contract Agent and as attorney-in-fact of the holders of Purchase Contracts, and Merrill Lynch & Co., Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "**Remarketing Agent**").

### WITNESSETH:

WHEREAS, the Company will issue \$[ ] (or up to \$[ ] if the Underwriters exercise their overallotment option in full) in aggregate Stated Amount of the Securities under the Purchase Contract Agreement, dated as of June [ ], 2004, by and between the Purchase Contract Agent and the Company (the "**Purchase Contract Agreement**"), as amended or supplemented from time to time.

WHEREAS, the Securities will initially consist of [ ] (or [ ] if the Underwriters exercise their overallotment option in full) Income PRIDES, each such security consisting of a 1/40 undivided beneficial interest in a Senior Note initially due 2009 issued by the Company in the principal amount of \$1,000 (a "**Debt Security**"), and a Purchase Contract issued by the Company ("**Purchase Contract**") pursuant to the Purchase Contract Agreement, and no Growth PRIDES, each such security consisting of a 1/40 undivided beneficial interest in a U.S. Treasury Security and a Purchase Contract.

WHEREAS, the Debt Securities will be pledged pursuant to the Pledge Agreement (the "**Pledge Agreement**"), dated as of June [ ], 2004, by and among the Company, BNY Midwest Trust Company, as Collateral Agent, Securities Intermediary and Custodial Agent (the "**Collateral Agent**"), and the Purchase Contract Agent, to secure an Income PRIDES Holder's obligations under the related Purchase Contract on the Purchase Contract Settlement Date.

WHEREAS, the Remarketing Agent will remarket in the manner provided herein, the Debt Securities pledged pursuant to the Pledge Agreement (the "**Pledged Debt Securities**") of the Income PRIDES Holders who have not already settled their Purchase Contracts, and any Debt Securities that are not pledged pursuant to the Pledge Agreement (the "**Separate Debt Securities**") of the holders who have elected to have their Debt Securities remarketed, in each case, as provided in the Purchase Contract Agreement.

WHEREAS, in the event of a successful remarketing, as provided herein, the applicable interest rate on the Debt Securities will be reset, on the Reset Date, to the Reset Rate (as defined herein), which will be the rate the Debt Securities must bear in order for the Debt Securities being remarketed to be sold by the Remarketing Agent on a Remarketing Date at a price equal to at least (a) if the proposed Reset Date is not the Purchase Contract Settlement Date, 100% multiplied by the Minimum Price (as defined herein), plus the Remarketing Fee (as defined

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herein) (the "**Remarketing Value**"), or (b) if the proposed Reset Date is the Purchase Contract Settlement Date, 100% multiplied by the aggregate principal amount of the Debt Securities being remarketed, plus the Remarketing Fee (the "**Contract Settlement Value**"), provided that the Reset Rate shall in no event exceed the maximum permitted by applicable law.

WHEREAS, if a Reset Date occurs on a date that is not August 16, 2006, November 16, 2006 or February 16, 2007, the Remarketing Agent shall determine (1) the minimum integral multiple number of Income PRIDES and Growth PRIDES required to make Collateral Substitutions (as defined in the Purchase Contract Agreement), and (2) the percentage of the undivided beneficial ownership interest in the Remarketing Treasury Portfolio constituting the Applicable Ownership Interest therein with respect to each Payment Date that follows such Reset Date.

WHEREAS, the Company has requested that Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated ("**Merrill Lynch**") act as the Remarketing Agent and as such to perform the services described herein.

WHEREAS, Merrill Lynch is willing to act as Remarketing Agent and as such to perform such duties on the terms and conditions expressly set forth herein.

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

Section 1. Definitions. Capitalized terms used and not defined in this Agreement shall have the meanings assigned to them in the Purchase Contract Agreement or, if not therein stated, the Pledge Agreement.

Section 2. Appointment and Obligations of Remarketing Agent; Remarketing.

(a) **Appointment and Obligations.** The Company hereby appoints Merrill Lynch, and Merrill Lynch hereby accepts such appointment, (i) as the Remarketing Agent to determine, in consultation with the Company and in the manner provided for in the Indenture, the Debt Securities and the Purchase Contract Agreement, (a) the reset interest rate that the Remarketing Agent believes will, when applied to the Debt Securities (with any extension of the maturity date as determined by the Company pursuant to the Indenture taken into account), enable the aggregate principal amount of the Debt Securities being remarketed to be sold at a price equal to at least (1) on any Remarketing Date (other than the fifth, fourth or third Business Day immediately preceding February 16, 2007), the Remarketing Value or (2) on the fifth, fourth or third Business Day immediately preceding February 16, 2007, the Contract Settlement Value; and (b) if a Reset Date occurs on a date that is not August 16, 2006, November 16, 2006, or February 16, 2007, (1) the minimum integral multiple number of Income PRIDES and Growth PRIDES required to make Collateral Substitutions (as defined in the Purchase Contract Agreement), and (2) the percentage of the undivided beneficial ownership interest in the Remarketing Treasury Portfolio constituting the Applicable Ownership Interest therein with respect to each Payment Date that follows such Reset Date; and (ii) as the exclusive Remarketing Agent to remarket the Debt Securities (subject to the right of Merrill Lynch to appoint additional remarketing agents hereunder as described below) in the manner specified in Section 2(b) below.

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The reset interest rate with respect to a Remarketing Date on which a successful remarketing occurs shall be the "**Reset Rate.**"

In connection with any remarketing contemplated hereby, the Remarketing Agent will enter into a Supplemental Remarketing Agreement (the "**Supplemental Remarketing Agreement**") with the Company and the Purchase Contract Agent, which shall either be (i) substantially in the form attached hereto as Exhibit A (with such changes as the Company and the Remarketing Agent may agree upon, it being understood that changes may be necessary in the representations, warranties, covenants and other provisions of the Supplemental Remarketing Agreement due to changes in law or facts and circumstances or in the event that Merrill Lynch is not the sole remarketing agent, and with such further changes therein as the Remarketing Agent may reasonably request) or (ii) in such other form as the Remarketing Agent may reasonably request, subject to the approval of the Company (such approval not to be unreasonably withheld). Notwithstanding anything herein to the contrary, Merrill Lynch shall not be obligated to act as Remarketing Agent hereunder unless the Supplemental Remarketing Agreement is in form and substance reasonably satisfactory to Merrill Lynch. The Company agrees that Merrill Lynch shall have the right, on 15 Business Days' written notice to the Company, to appoint one or more additional remarketing agents so long as any such additional remarketing agents shall be reasonably acceptable to the Company. Upon any such appointment, the parties shall enter into an appropriate amendment to this Agreement to reflect the addition of any such remarketing agent.

(b) Pursuant to this Agreement and the corresponding Supplemental Remarketing Agreement, the Remarketing Agent, either as sole remarketing agent or as representative of a group of remarketing agents appointed as aforesaid, will agree, subject to the terms and conditions set forth herein and therein, to use its reasonable efforts to remarket, on each proposed Remarketing Date during each Three-Day Remarketing Period (unless and until there has been a successful remarketing on a Remarketing Date), the Debt Securities that the Collateral Agent or the Custodial Agent shall have notified the Remarketing Agent have been tendered for, or otherwise are to be included in, the remarketing, at a price per \$1,000 principal amount of the Debt Securities such that the aggregate price for the aggregate principal amount of the Debt Securities being remarketed on the Reset Date will be at least (i) if the proposed Reset Date is not the Purchase Contract Settlement Date, the Remarketing Value, or (ii) if the proposed Reset Date is the Purchase Contract Settlement Date, the Contract Settlement Value. Notwithstanding the preceding sentence, the Remarketing Agent shall not remarket any Debt Securities for a price less than the price (the "**Minimum Price**") necessary for the aggregate principal amount of the Debt Securities being remarketed to have an aggregate price (i) if the proposed Reset Date is not the Purchase Contract Settlement Date, equal to 100% of the sum of the Remarketing Treasury Portfolio Purchase Price and the Separate Debt Securities Purchase Price (as defined herein), or (ii) if the proposed Reset Date is the Purchase Contract Settlement Date, equal to 100% of the aggregate principal amount of such Debt Securities. The Remarketing Agent shall not be obligated to remarket any Debt Securities if a condition precedent to such remarketing is not fulfilled.

The term "**Separate Debt Securities Purchase Price**" means, on a date of determination, the aggregate principal amount of Separate Debt Securities to be remarketed multiplied by a fraction, the numerator of which is the Remarketing Treasury Portfolio Purchase Price and the

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denominator of which is the aggregate principal amount of the Pledged Debt Securities to be remarketed.

Upon a successful remarketing, after deducting the fee specified in Section 3 below, the proceeds of remarketing shall promptly be paid to the Collateral Agent and the Custodial Agent in accordance with Section 4.6 and 6.3 of the Pledge Agreement and Section 4.3 and 5.4 of the Purchase Contract Agreement (each of which Sections are incorporated herein by reference). In the event all remarketing attempts during a Three-Day Remarketing Period are unsuccessful, the Remarketing Agent shall return, no later than the Business Day immediately following the end of such Three-Day Remarketing Period, the Pledged Debt Securities to the Collateral Agent and the Separate Debt Securities delivered for remarketing to the Custodial Agent for return to the holders of such Separate Debt Securities. For the purposes of this Agreement and each Supplemental Remarketing Agreement, an unsuccessful remarketing shall mean the failure of any condition set forth in Section 7 hereof to be satisfied with respect to a particular Remarketing Date, resulting in a remarketing having failed on such Remarketing Date.

(c) The Remarketing Agent shall not have any obligation whatsoever to purchase any Debt Securities, whether in connection with a remarketing or otherwise, and shall in no way be obligated to provide funds to make payment upon tender of Debt Securities for remarketing or to otherwise expend or risk their own funds or incur or be exposed to financial liability in the performance of their respective duties under this Agreement or the Supplemental Remarketing Agreement, and, without limitation of the foregoing, the Remarketing Agent shall not be deemed an underwriter of the remarketed Debt Securities. The Company shall not be obligated in any case to provide funds to make payment upon tender of Debt Securities for remarketing.

(d) Subject to the conditions set forth in this Agreement, the Remarketing Agent agrees to use its reasonable efforts to remarket, in whole but not in part, the Pledged Debt Securities and the Separate Debt Securities that are delivered to it for remarketing by the Collateral Agent and the Custodial Agent no later than 10:00 a.m., New York City time, on the Business Day prior to the commencement of each Three-Day Remarketing Period.

### Section 3. Fees and Expenses.

(a) Upon a successful remarketing of the Debt Securities, the Remarketing Agent is entitled to a remarketing fee (the "**Remarketing Fee**") (i) equal to 25 basis points (0.25%) of the Remarketing Treasury Portfolio Purchase Price, if the remarketed Debt Securities mature on or prior to February 16, 2009, or (ii) as established by mutual agreement between the Company and the Remarketing Agent, if the maturity date of the remarketed Debt Securities is extended to a date after February 16, 2009 (which shall not be more than 10 years from the Reset Date).

The Remarketing Agent may deduct the Remarketing Fee from the proceeds of the successful remarketing to be remitted to the Collateral Agent and the Custodial Agent, provided, however, that under no circumstances may the Remarketing Agent deduct an amount greater than the excess of such proceeds over the Minimum Price. Any resulting shortfall in the recovery of the Remarketing Fee shall be payable by the Company on the Reset Date in immediately available funds or, upon the instructions of the Remarketing Agent, by certified or official bank check or checks or by wire transfer.

(b) In connection with any attempted remarketing pursuant to this Agreement, the Company shall pay all expenses in connection therewith, including without limitation, any and all (i) registration and filing fees, (ii) fees and expenses incurred in connection with the compliance with state securities or blue sky laws and compliance with the rules and regulations of the National Association of Securities Dealers, Inc., (iii) expenses identified in clause (iv) of Section 6(a) and clause (iv) of Section 6(b), (iv) fees and disbursements of counsel to the Company and of the independent public accountants of the Company, (v) expenses of the Remarketing Agent (including fees and expenses of counsel to the Remarketing Agent) and (vi) fees and expenses of other agents or any trustees.

### Section 4. Replacement and Resignation of Remarketing Agent

(a) The Company may in its absolute discretion replace Merrill Lynch as the Remarketing Agent in its capacity hereunder by giving notice prior to 3:00 p.m., New York City time, on the eleventh Business Day immediately prior to the commencement of any Three-Day Remarketing Period. Any such replacement shall become effective upon the Company's appointment of a successor to perform the services that would otherwise be performed hereunder by the Remarketing Agent. Upon providing such notice, the Company shall use all reasonable efforts to appoint such a successor and to enter into a remarketing agreement with such successor as soon as reasonably practicable. The Company shall notify the Purchase Contract Agent, the Collateral Agent and the Custodial Agent of the appointment of any such successor.

(b) Merrill Lynch may resign at any time and be discharged from its duties and obligations hereunder as the Remarketing Agent by giving notice prior to 3:00 p.m., New York City time, on the eleventh Business Day immediately prior to the commencement of any Three-Day Remarketing Period. Any such resignation shall become effective upon the Company's appointment of a successor to perform the services that would otherwise be performed hereunder by the Remarketing Agent. Upon receiving notice from the Remarketing Agent that it wishes to resign hereunder, the Company shall appoint such a successor and enter into a remarketing agreement with it as soon as reasonably practicable. The Company shall notify the Purchase Contract Agent, the Collateral Agent and the Custodial Agent of the appointment of any such successor.

Section 5. Dealing in the Securities. The Remarketing Agent, when acting hereunder or under the Supplemental Remarketing Agreement or acting in its individual or any other capacity, may, to the extent permitted by law, buy, sell, hold or deal in any of the Debt Securities. With respect to any Securities, Debt Securities or other securities of the Company owned by it, the Remarketing Agent may each exercise any vote or join in any action with like effect as if it did not act in any capacity hereunder. The Remarketing Agent, in its individual capacity, either as principal or agent, may also engage in or have an interest in any financial or other transaction with the Company as freely as if it did not act in any capacity hereunder.

### Section 6. Registration Statement and Prospectus.

(a) In connection with the remarketing during any Three-Day Remarketing Period, if and to the extent required (in the view of counsel for either the Remarketing Agent or the Company) by applicable law, regulations or interpretations in effect at the time of such

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remarketing, the Company shall (i) use its reasonable efforts to have a registration statement relating to the Debt Securities effective under the Securities Act of 1933, as amended (the "**1933 Act**"), prior to such Three-Day Remarketing Period, (ii) if requested by the Remarketing Agent, furnish a current preliminary prospectus and, if applicable, a current preliminary prospectus supplement to be used by the Remarketing Agent in the remarketing not later than three Business Days prior to the commencement of such Three-Day Remarketing Period (or such earlier date as the Remarketing Agent may reasonably request) and in such quantities as the Remarketing Agent may reasonably request, (iii) furnish a current final prospectus and, if applicable, a current final prospectus supplement to be used by the Remarketing Agent in the remarketing not later than the applicable Remarketing Date during such Three-Day Remarketing Period in such quantities as the Remarketing Agent may reasonably request, and (iv) pay all expenses relating to the foregoing.

(b) If in connection with any remarketing during any Three-Day Remarketing Period, it shall not be possible, in the view of counsel (which need not be an opinion) for either the Remarketing Agent or the Company, under applicable law, regulations or interpretations in effect at the time of such remarketing to register the offer and sale by the Company of the Debt Securities under the 1933 Act as otherwise contemplated by this Section 6, the Company (i) shall use its reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper and advisable to permit and effectuate the offer and sale of the Debt Securities in connection with such remarketing without registration under the 1933 Act pursuant to an exemption therefrom, if available, including the exemption afforded by Rule 144A under the rules and regulations promulgated under the

1933 Act by the Commission, (ii) if requested by the Remarketing Agent, shall furnish a current preliminary remarketing memorandum to be used by the Remarketing Agent in such remarketing not later than three Business Days prior to the commencement of such Three-Day Remarketing Period (or in either case such earlier date as the Remarketing Agent may reasonably request) and in such quantities as the Remarketing Agent may reasonably request and (iii) shall furnish a current final remarketing memorandum to be used by the Remarketing Agent in such remarketing not later than the applicable Remarketing Date during such Three-Day Remarketing Period in such quantities as the Remarketing Agent may reasonably request, and (iv) shall pay all expenses relating thereto.

(c) The Company shall also use its reasonable efforts to take all such actions as may (upon advice of counsel to the Company or the Remarketing Agent) be necessary or desirable under state securities or blue sky laws in connection with any remarketing on any Remarketing Date.

Section 7. Conditions to the Remarketing Agent's Obligations. In addition to any other conditions provided in the Purchase Contract Agreement, the Pledge Agreement, the Indenture, the Debt Securities or the Supplemental Remarketing Agreement, the right of each holder of Debt Securities or Income PRIDES to have their Debt Securities remarketed (or included in a particular remarketing attempt) shall be subject to the conditions that (i) with respect to any remarketing during the Final Three-Day Remarketing Period, there will not be a Special Event Redemption Date on or before the Purchase Contract Settlement Date, (ii) the Remarketing Agent is able to find a purchaser or purchasers for the Debt Securities being remarketed at the applicable Minimum Price and such purchaser or purchasers deliver the purchase price therefor to the Remarketing Agent as and when required, (iii) no prior successful

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remarketing of the Debt Securities has occurred, (iv) the Purchase Contract Agent, the Collateral Agent, the Custodial Agent, the Company and the Trustee shall have performed their respective obligations in connection with the remarketing in this Agreement, the Supplemental Remarketing Agreement, the Pledge Agreement, the Purchase Contract Agreement, the Indenture or any other agreement relating to such remarketing (including, without limitation, the Purchase Contract Agent giving the Remarketing Agent notice of the aggregate principal amount of the Pledged Debt Securities and the Separate Debt Securities to be delivered for remarketing no later than 10:00 a.m., New York City time, the Business Day preceding the commencement of a proposed Three-Day Remarketing Period and the Collateral Agent and the Custodial Agent concurrently delivering such Debt Securities to be remarketed to the Remarketing Agent as required under the Purchase Contract Agreement and the Pledge Agreement), (v) no Event of Default (as defined in the Indenture), and no event that with the passage of time or the giving of notice or both would become an Event of Default, shall be continuing, (vi) the accuracy of the representations and warranties of the Company included and incorporated by reference in this Agreement and the Supplemental Remarketing Agreement or in certificates of any officer of the Company delivered pursuant to the provisions included or incorporated by reference in this Agreement or the Supplemental Remarketing Agreement, (vii) the performance by the Company of its covenants and other obligations included and incorporated by reference in this Agreement and the Supplemental Remarketing Agreement, (viii) the satisfaction of the other conditions set forth and incorporated by reference in this Agreement and the Supplemental Remarketing Agreement, and (ix) this Agreement and any applicable Supplemental Remarketing Agreement have not terminated.

(b) If at any time during the term of this Agreement, any Event of Default (as defined therein) under the Indenture, or event that with the passage of time or the giving of notice or both would become an Event of Default under the Indenture, has occurred and is continuing, then the obligations and duties of the Remarketing Agent under this Agreement shall be suspended until such default or event has been cured. The Company will promptly notify the Remarketing Agent of such Events of Default and events known to it and will cause the Trustee to give the Remarketing Agent notice of all such Events of Default and events of which the Trustee is aware.

Section 8. Termination of Remarketing Agreement. This Agreement shall terminate as to the Remarketing Agent on the effective date of its replacement pursuant to Section 4(a) hereof or pursuant to Section 4(b) hereof. Notwithstanding any such termination, the obligations set forth in Section 2 (insofar as such Section relates to the payment of the Remarketing Fee) and Section 3 hereof shall survive and remain in full force and effect until all amounts payable under such Sections shall have been paid in full. In addition, each former Remarketing Agent shall be entitled to the rights and benefits under Sections 9 and 10 of this Agreement notwithstanding the replacement or resignation of such Remarketing Agent.

Section 9. Remarketing Agent's Performance; Duty of Care. The duties and obligations of the Remarketing Agent shall be determined solely by the express provisions of this Agreement and, in the case of the Remarketing Agent, the Supplemental Remarketing Agreement. No implied covenants or obligations of or against the Remarketing Agent shall be read into this Agreement or the Supplemental Remarketing Agreement. In the absence of bad faith on the part of the Remarketing Agent, the Remarketing Agent may conclusively rely upon any document

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furnished to it which purports to conform to the requirements of this Agreement or the Supplemental Remarketing Agreement, as the case may be, as to the truth of the statements expressed therein. The Remarketing Agent shall be protected in acting upon any document or communication reasonably believed by it to be signed, presented or made by the proper party or parties. The Remarketing Agent shall not have any obligation to determine whether there is any limitation under applicable law on the Reset Rate on the Debt Securities or, if there is any such limitation, the maximum permissible Reset Rate on the Debt Securities, and the Remarketing Agent shall rely solely upon written notice from the Company (which the Company agrees to provide prior to the third Business Day prior to any Remarketing Announcement Date) as to whether or not there is any such limitation and, if so, the maximum permissible Reset Rate. The Remarketing Agent shall not incur any liability under this Agreement or the Supplemental Remarketing Agreement, as the case may be, to any beneficial owner or holder of Debt Securities, or other securities, either in its individual capacity or as Remarketing Agent, for any action or failure to act in connection with any remarketing or otherwise in connection with the transactions contemplated by this Agreement or the Supplemental Remarketing Agreement, except to the extent that it shall have been determined by a court of competent jurisdiction by final and nonappealable judgment that such liability has resulted from the willful misconduct, bad faith or gross negligence of the Remarketing Agent. The provisions of this Section 9 shall survive any termination of this Agreement and shall also continue to apply to every Remarketing Agent notwithstanding their resignation or removal.

Section 10. Indemnification and Contribution.

(a) The Company agrees to indemnify and hold harmless the Remarketing Agent and each person, if any, who controls the Remarketing Agent within the meaning of either Section 15 of the 1933 Act or Section 20 of the Securities Exchange Act of 1934, as amended (the "**1934 Act**") (the Remarketing Agent and each such person or entity being an "**Agent Indemnified Party**"), as follows:

(i) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, related to, arising out of, or based on (A) the failure to have an effective Registration Statement (as defined in the Supplemental Remarketing Agreement) under the 1933 Act relating to the Debt Securities, as the case may be, if required, or the failure to satisfy the prospectus delivery requirements of the 1933 Act because the Company failed to provide the Remarketing Agent with a Prospectus (as defined in the Supplemental Remarketing Agreement) for delivery, or (B) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or any amendment thereto), or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading, or (C) any untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus or the Prospectus (or any amendment or supplement thereto) or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or (D) any untrue statement or alleged untrue statement of a material fact contained in any preliminary remarketing memorandum or any final remarketing memorandum (or any amendment or supplement thereto) or the omission or alleged omission therefrom of a material fact necessary in order to make the statements

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therein, in the light of the circumstances under which they were made, not misleading, or (E) any untrue statement or alleged untrue statement of a material fact contained in any other documents (including, without limitation, any documents incorporated or deemed to be incorporated by reference in any such documents) provided by the Company for use in connection with the remarketing of the Debt Securities or any of the transactions related thereto, or (F) any failure by the Company to make or consummate the remarketing of the Debt Securities or the withdrawal, recession, termination, amendment or extension of the terms of such remarketing, or (G) any failure on the part of the Company to comply, or any breach by the Company of, any of the provisions included or incorporated by reference in this Agreement, the Supplemental Remarketing Agreement, the Purchase Contract Agreement, the Income PRIDES, the Growth PRIDES, the Pledge Agreement, the Indenture or the Debt Securities (collectively, the "**Operative Documents**"), or (H) the remarketing of the Debt Securities or any other transaction contemplated by any of the Operative Documents, or the engagement of the Remarketing Agent pursuant to, or the performance by the Remarketing Agent of the services contemplated by, this Agreement or the Supplemental Remarketing Agreement, whether or not any remarketing of the Debt Securities, or the reset of the interest rate on, or modification of the maturity date or scheduled interest payment dates of, the Debt Securities, as contemplated herein actually occur;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever related to, arising out of or based on any matter described in (i) above, if such settlement is effected with the written consent of the indemnifying party; and

(iii) against any and all expense whatsoever, as incurred (including the fees and disbursements of counsel chosen by the Remarketing Agent), reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever related to, arising out of or based on any matter described in (i) above to the extent that any such expense is not paid under (i) or (ii) above;

provided, however, that the Company shall not be liable under clause (i)(B), (i)(C), (i)(D) or (i)(E) to the extent any such loss, liability, claim, damage or expense arises out of any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with written information furnished to the Company by the Remarketing Agent expressly for use in the Registration Statement (or any amendment thereto), any preliminary prospectus or the Prospectus (or any amendment or supplement thereto) or any preliminary or final remarketing memorandum (or any amendment or supplement thereto) or any other documents used in connection with remarketing of the Debt Securities, as the case may be;

provided, further, that the Company shall not be liable under clause (i)(F) or (i)(H) to the extent that such loss, claim, damage, liability or expense has, by final judicial determination, resulted from the willful misconduct, bad faith or gross negligence of the Remarketing Agent.

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Other than as set forth in Section 10(b) below, the Company agrees that no Agent Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Company or its respective security holders or creditors relating to or arising out of the engagement of the Remarketing Agent pursuant to, or the performance by the Remarketing Agent of its services contemplated by, this Agreement or the Supplemental Remarketing Agreement except to the extent that any loss, claim, damage, liability or expense is found in a final judgment in a court of competent jurisdiction to have resulted from the willful misconduct, gross negligence or bad faith of the Remarketing Agent.

(b) The Remarketing Agent agrees to indemnify and hold harmless the Company, its directors, each of its officers who sign the Registration Statement, and each person, if any, who controls the Company within the meaning of either Section 15 of the 1933 Act or Section 20 of the 1934 Act (the "**Company Indemnified Parties**") to the same extent as the foregoing indemnity from the Company to the Agent Indemnified Parties, but only with reference to information relating to such Remarketing Agent furnished to the Company in writing by such Remarketing Agent expressly for use in the Registration Statement, any preliminary prospectus, the Prospectus or any amendments or supplements thereto, any preliminary remarketing memorandum, final remarketing memorandum or amendments or supplements thereto or any other documents used in connection with the remarketing of the Debt Securities, as the case may be.



(c) Each party seeking indemnification hereunder (an "**Indemnified Party**") shall give notice as promptly as reasonably possible to each party from whom indemnification is sought (an "**Indemnifying Party**") of any action commenced against it in respect of which indemnity may be sought hereunder, but failure to so notify an Indemnifying Party shall not relieve such Indemnifying Party from any liability which it may have otherwise than on account of this indemnity agreement. In the case of parties indemnified pursuant to Section 10(a) above, counsel to the Indemnified Parties shall be selected by the Remarketing Agent, and in the case of parties indemnified pursuant to Section 10(b) above, counsel to the Indemnified Parties shall be selected by the Company. An Indemnifying Party may participate at its own expense in the defense of such action; provided, however, that counsel to the Indemnifying Party shall not (except with the consent of the Indemnified Party) also be counsel to the Indemnified Party. In no event shall the Indemnifying Parties be liable for the fees and expenses of more than one counsel (in addition to any local counsel) for all Indemnified Parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances. No Indemnifying Party shall, without the prior written consent of the Indemnified Parties, settle or compromise or consent to the entry of any judgment with respect to any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever in respect of which indemnification or contribution could be sought under this Section 10 hereof (whether or not the Indemnified Parties are actual or potential parties thereto), unless such settlement, compromise or consent (i) includes an unconditional release of each Indemnified Party from all liability arising out of such litigation, investigation, proceeding or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any Indemnified Party.

(d) If at any time an Indemnified Party shall have requested an Indemnifying Party to reimburse the Indemnified Party for fees and expenses of counsel, such Indemnifying Party

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agrees that it shall be liable for any settlement of the nature contemplated by Section 10(a)(ii) effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by such Indemnifying Party of the aforesaid request, (ii) such Indemnifying Party shall have received notice of the terms of such settlement at least 30 days prior to such settlement being entered into and (iii) such Indemnifying Party shall not have reimbursed such Indemnified Party in accordance with such request prior to the date of such settlement.

(e) If the indemnification provided for in this Section 10 is unavailable or insufficient to hold harmless an Indemnified Party, then each Indemnifying Party shall contribute to the amount paid or payable by such Indemnified Party as a result of the losses, claims, damages or liabilities referred to in this Section 10 above, as incurred, (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand, and the Remarketing Agent on the other, from the remarketing of the Debt Securities contemplated hereby or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand, and the Remarketing Agent on the other, in connection with the statements, omissions or other matters which resulted in such losses, claims, damages or liabilities as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand, and the Remarketing Agent on the other, shall be deemed to be in the same respective proportions as the aggregate principal amount of the Debt Securities which are or are to be remarketed bears to the aggregate fees actually received by the Remarketing Agent under Section 3 hereof. The relative fault (i) in the case of an untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, shall be determined by reference to, among other things, whether such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or by the Remarketing Agent on the other hand and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission and (ii) in the case of any other action or omission shall be determined by reference to, among other things, whether such action or omission was taken or omitted to be taken by the Company on the one hand, or by the Remarketing Agent, on the other hand, and the parties' relative intent, knowledge, access to information and opportunity to prevent or correct such action or omission. The Company and the Remarketing Agent agree that it would not be just and equitable if contribution pursuant to this Section 10(e) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 10(e). The amount paid by an Indemnified Party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this Section 10(e) shall be deemed to include any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating, preparing or defending any action or claim which is the subject of this Section 10(e). Notwithstanding the provisions of this Section 10(e), the Remarketing Agent shall not be required to contribute any amount which, in the aggregate, exceeds the aggregate fees received by it under Section 3 of this Agreement. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 10(e), each person, if any, who controls the Remarketing Agent within the meaning of either Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Remarketing Agent and each director of the Company, each officer of the Company who signed the Registration

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Statement, and each person, if any, who controls the Company within the meaning of either Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Company.

(f) Anything herein or in the Supplemental Remarketing Agreement to the contrary notwithstanding, the provisions of this Section 10, and the rights of the Remarketing Agent and the other Indemnified Parties hereunder, shall be in addition to, and not in limitation of, any rights or benefits (including, without limitation, rights to indemnification or contribution) which the Remarketing Agent or any other Indemnified Party may have under any other instrument or agreement.

Section 11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

Section 12. Term of Agreement. Unless otherwise terminated in accordance with the provisions hereof and except as otherwise provided herein, this Agreement shall remain in full force and effect from the date hereof until the first day after the Reset Date or in the event of a Failed Remarketing, February 16, 2007.

Section 13. Successors and Assigns. The rights and obligations of the Company hereunder may not be assigned or delegated to any other person without the prior written consent of Merrill Lynch as the Remarketing Agent and the Purchase Contract Agent. The rights and obligations of Merrill Lynch as the Remarketing Agent hereunder may not be assigned or delegated to any other person without the prior written consent of the Company. This Agreement shall inure to the benefit of and be binding upon the Company and Merrill Lynch as the Remarketing Agent and their respective successors and assigns. The terms "**successors**" and "**assigns**" shall not include any purchaser of Securities merely because of such purchase.

Section 14. Headings. Section headings have been inserted in this Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Agreement and will not be used in the interpretation of any provision of this Agreement.

Section 15. Severability. If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any or all jurisdictions because it conflicts with any provisions of any constitution, statute, rule or public policy or for any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case, circumstances or jurisdiction, or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatsoever.

Section 16. Counterparts. This Agreement may be executed in counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

Section 17. Amendments. This Agreement may be amended by any instrument in writing signed by the parties hereto.

Section 18. Notices. Unless otherwise specified, any notices, requests, consents or other communications given or made hereunder or pursuant hereto shall be made in writing or transmitted by any standard form of telecommunication, including telephone, telegraph or teletype, and confirmed in writing. All written notices and confirmations of notices by telecommunication shall be deemed to have been validly given or made when delivered or mailed, registered or certified mail, return receipt requested and postage prepaid. All such notices, requests, consents or other communications shall be addressed as follows: if to the Company, to Great Plains Energy Incorporated, 1201 Walnut Street, Kansas City, Missouri 64106-2124, Attention: Andrea F. Bielsker, Senior Vice President - Finance, Chief Financial Officer and Treasurer, with a copy to Jeanie Sell Latz, Esq., Executive Vice President - Corporate and Shared Services and Secretary; if to the Remarketing Agent, to Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, at Four World Financial Center, North Tower 25th Floor, New York, New York 10080, Attention: Equity Capital Markets, with a copy to Dewey Ballantine LLP, 1301 Avenue of the Americas, New York, New York 10019-6092, Attention: Steven B. LoeShelle, Esq., and Sidley Austin Brown & Wood llp, 787 Seventh Avenue, New York, New York 10019, Attention: Robert Mandell, Esq.; and if to the Purchase Contract Agent, to BNY Midwest Trust Company, [], Attention: [], or to such other address as any of the above shall specify to the other in writing.

Section 19. Information. The Company agrees to furnish the Remarketing Agent with such information and documents as the Remarketing Agent may reasonably request in connection with the transactions contemplated by this Remarketing Agreement and the Supplemental Remarketing Agreement, and make reasonably available to the Remarketing Agent and any accountant, attorney or other advisor retained by the Remarketing Agent such information that parties would customarily require in connection with a due diligence investigation conducted in accordance with applicable securities laws and cause the Company's officers, directors, employees and accountants to participate in all such discussions and to supply all such information reasonably requested by any such person in connection with such investigation.

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

GREAT PLAINS ENERGY INCORPORATED

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

CONFIRMED AND ACCEPTED:

MERRILL LYNCH & CO.  
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

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

BNY MIDWEST TRUST COMPANY,  
not individually but solely as Purchase  
Contract Agent and as attorney-in-fact  
for the holders of the Purchase Contracts

By: \_\_\_\_\_

Name:  
Title:

Exhibit A to Remarketing Agreement

## FORM OF SUPPLEMENTAL REMARKETING AGREEMENT

Supplemental Remarketing Agreement dated \_\_\_\_\_, \_\_\_\_ among Great Plains Energy Incorporated, a Missouri corporation (the "**Company**"), Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "**Remarketing Agent**"), and BNY Midwest Trust Company, as Purchase Contract Agent and attorney-in-fact for the Holders of the Purchase Contracts (as such terms are defined in the Purchase Contract Agreement referred to in Schedule I hereto).

NOW, THEREFORE, for and in consideration of the covenants herein made, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Definitions.** Capitalized terms used and not defined in this Agreement shall have the meanings assigned to them in the Remarketing Agreement, dated as of \_\_\_\_\_, \_\_\_\_ (the "**Remarketing Agreement**"), among the Company, the Purchase Contract Agent and Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated or, if not defined in the Remarketing Agreement, the meanings assigned to them in the Purchase Contract Agreement (as defined in Schedule I hereto).

2. **Registration Statement and Prospectus.** The Company has filed with the Securities and Exchange Commission, and there has become effective, a registration statement on Form S-3, including a prospectus, relating to the Securities (as such term is defined on Schedule I hereto). Such Registration Statement, as amended, and including the information deemed to be a part thereof pursuant to Rule 430A under the 1933 Act, and the documents incorporated or deemed to be incorporated by reference therein, are hereinafter called, collectively, the "**Registration Statement**"; the [related preliminary prospectus dated \_\_\_\_\_, including the documents incorporated or deemed to be incorporated by reference therein, [and preliminary prospectus supplement dated \_\_\_\_\_] are hereinafter called, [collectively] the "**preliminary prospectus**";] and the related prospectus dated \_\_\_\_\_, including the documents incorporated or deemed to be incorporated by reference therein, [and prospectus supplement dated \_\_\_\_\_] are hereinafter called, [collectively,] the "**Prospectus**." The Company has provided copies of the Registration Statement [, the preliminary prospectus] and the Prospectus to the Remarketing Agent, and hereby consents to the use of the [preliminary prospectus and the] Prospectus in connection with the remarketing of the Securities. [IN THE EVENT THAT A REGISTRATION STATEMENT IS NOT POSSIBLE OR NOT REQUIRED PURSUANT TO THE REMARKETING AGREEMENT, INSERT THE FOLLOWING: The Company has provided to the Remarketing Agent, for use in connection with remarketing of the Securities (as such term is defined on Schedule I hereto), a [preliminary remarketing memorandum and] remarketing memorandum [and] [describe other materials, if any]. Such remarketing memorandum (including the documents incorporated or deemed to be incorporated by reference therein, [and] [describe other materials] are hereinafter called, collectively, the "Prospectus," [and such preliminary marketing memorandum (including the documents incorporated or deemed to be incorporated by reference therein) is hereinafter called a "preliminary

prospectus"). The Company hereby consents to the use of the Prospectus [and the preliminary prospectus] in connection with the remarketing of the Securities]. All references in this Agreement to amendments or supplements to the Registration Statement [, the preliminary prospectus] or the Prospectus shall be deemed to mean and include the filing of any document under the 1934 Act, which is incorporated or deemed to be incorporated by reference in the Registration Statement [, the preliminary prospectus] or the Prospectus, as the case may be.

### 3. **Provisions Incorporated by Reference.**

(a) Subject to Section 3(b), the provisions of the Underwriting Agreement (other than Section 2, Section 3, Section 4, Section 5, Section 9 and Section 10 thereof) are incorporated herein by reference, mutatis mutandis, and the Company hereby makes the representations and warranties, and agrees to comply with the covenants and obligations, set forth in the provisions of the Underwriting Agreement incorporated by reference herein, as modified by the provisions of Section 3(b) hereof.

(b) With respect to the provisions of the Underwriting Agreement incorporated herein, for the purposes hereof, (i) all references therein to the "**Underwriter**" or "**Underwriters**" shall be deemed to refer to the Remarketing Agent and any additional remarketing agents designated pursuant to Section 2 of the Remarketing Agreement; (ii) all references therein to the "**Securities**", "**FELINE PRIDES**" or "**Initial Securities**" shall be deemed to refer to the Securities as defined herein; (iii) all references therein to the "**Closing Date**" shall be deemed to refer to the Remarketing Closing Date specified in Schedule I hereto; (iv) all references therein to the "Registration Statement" [, the "preliminary prospectus"] or the "Final Prospectus" shall be deemed to refer to the Registration Statement[, the preliminary prospectus] and the Prospectus, respectively, as defined herein; (v) all references therein to this "**Agreement**," the "**Purchase Agreement**," the "**Underwriting Agreement**," "**hereof**," "**herein**" and all references of similar import, shall be deemed to mean and refer to this Supplemental Remarketing Agreement; (vi) all references therein to "**the date hereof**," "**the date of this Agreement**" and all similar references shall be deemed to refer to the date of this Supplemental Remarketing Agreement; (vii) all references therein to any "**settlement date**" shall be disregarded; and (viii) [other changes, including changes relating to the offer and sale of the Securities in connection with the Remarketing without registration under the 1933 Act in reliance upon an exemption therefrom (including the exemption afforded by Rule 144A)].]

4. **Remarketing.** Subject to the terms and conditions and in reliance upon the representations and warranties herein set forth or incorporated by reference herein and in the Remarketing Agreement, the Remarketing Agent agrees to use its reasonable efforts to remarket, on each proposed Remarketing Date during the Three-Day Remarketing Period specified in Schedule I hereto (unless and until there has been a

successful remarketing on a Remarketing Date) and in the manner set forth in Section 2(b) of the Remarketing Agreement, the aggregate principal amount, as the case may be, of Securities set forth in Schedule I hereto at a purchase price not less than 100% of the [Remarketing Value] [Contract Settlement Value]. With respect to each Remarketing Date, the Remarketing Agent, in consultation with the Company and in the manner provided for in the Indenture, the Securities and the Purchase Contract Agreement, shall determine (a) the reset interest rate that the Remarketing Agent believes will, when applied to the Securities (with any extension of the maturity date as determined by the Company pursuant to

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the Indenture taken into account), enable the aggregate principal amount of the Securities being remarketed to be sold at a price equal to at least the [Remarketing Value] [Contract Settlement Value]. In connection with the remarketing, the Remarketing Agent shall be entitled to the Remarketing Fee, payable in the manner specified in Section 5 hereof by deduction from the proceeds received in connection with such remarketing, but only to the extent such amount is in excess of the applicable Minimum Price. Any resulting shortfall in the recovery of the Remarketing Fee shall be payable by the Company in the manner specified in Section 5 hereof. The right of each holder of Securities to have Securities tendered for purchase shall be limited to the extent set forth in the last sentence of the first paragraph of Section 2(b) of the Remarketing Agreement (which is incorporated by reference herein). As more fully provided in Section 2(c) of the Remarketing Agreement (which is incorporated by reference herein), the Remarketing Agent is not obligated to purchase any Securities in the remarketing or otherwise, and neither the Company nor the Remarketing Agent shall be obligated in any case to provide funds to make payment upon tender of Securities for remarketing.

5. **Delivery and Payment.** In the event of a successful remarketing, delivery of payment for Securities by the purchasers thereof identified by the Remarketing Agent and payment of the Remarketing Fee shall be made on the Remarketing Closing Date at the location and time specified in Schedule I hereto (or such later date not later than five Business Days after such date as the Remarketing Agent shall designate), which date and time may be postponed by agreement between the Remarketing Agent and the Company. Delivery of the remarketed Securities and payment of the Remarketing Fee shall be made to the Remarketing Agent against payment by the respective purchasers of the remarketed Securities of the consideration therefor as specified herein, which consideration shall be paid to the Collateral Agent and Custodial Agent for the account of the persons entitled thereto by certified or official bank check or checks drawn on or by a New York Clearing House bank and payable in immediately available funds or in immediately available funds by wire transfer to an account or accounts designated by the Collateral Agent and the Custodial Agent. Any amount of the Remarketing Fee that cannot be deducted from the funds received from such purchasers shall be payable by the Company on the Remarketing Closing Date in immediately available funds or, upon the instructions of the Remarketing Agent, by certified or official bank check or checks or by wire transfer.

With respect to Securities not represented by a Global Security held by or on behalf of The Depository Trust Company, certificates for the Securities shall be registered in such names and denominations as the Remarketing Agent may request not less than one full Business Day in advance of the Remarketing Closing Date, and the Company, the Collateral Agent, the Custodial Agent and the registered holder or holders thereof agree to have such certificates available for inspection, packaging and checking by the Remarketing Agent in New York, New York not later than 1:00 p.m. on the Business Day prior to the Remarketing Closing Date.

6. **Notices.** Unless otherwise specified, any notices, requests, consents or other communications given or made hereunder or pursuant hereto shall be made in writing or transmitted by any standard form of telecommunication, including telephone, telegraph or teletype, and confirmed in writing. All written notices and confirmations of notices by telecommunication shall be deemed to have been validly given or made when delivered or mailed, registered or certified mail, return receipt requested and postage prepaid. All such notices, requests, consents or other communications shall be addressed as follows: if to the

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Company, to Great Plains Energy Incorporated, 1201 Walnut Street, Kansas City, Missouri 64106-2124, Attention: Andrea F. Bielsker, Senior Vice President - Finance, Chief Financial Officer and Treasurer, with a copy to Jeanie Sell Latz, Esq., Executive Vice President - Corporate and Shared Services and Secretary; if to the Remarketing Agent, to Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, at Four World Financial Center, North Tower 25th Floor, New York, New York 10080, Attention: Equity Capital Markets, with a copy to Dewey Ballantine LLP, 1301 Avenue of the Americas, New York, New York 10019-6092, Attention: Steven R. LoShelle, Esq., and to Sidley Austin Brown & Wood LLP, 787 Seventh Avenue, New York, New York 10019, Attention: Robert Mandell, Esq.; and if to the Purchase Contract Agent, to BNY Midwest Trust Company, [], Attention: [], or to such other address as any of the above shall specify to the other in writing.

7. **Conditions to Obligations of Remarketing Agent.** Anything herein to the contrary notwithstanding, the parties hereto agree (and the holders and beneficial owners of the Securities will be deemed to agree) that the obligations of the Remarketing Agent under this Agreement and the Remarketing Agreement are subject to the satisfaction of the conditions set forth in Section 7 of the Remarketing Agreement (which are incorporated herein by reference), and to the satisfaction, on the Remarketing Closing Date, of the conditions incorporated by reference herein from Section 5 of the Underwriting Agreement as modified by Section 3(b) hereof (including, without limitation, the delivery of opinions of counsel, officers' certificates and accountants' comfort letters in form and substance satisfactory to the Remarketing Agent, the accuracy as of the Remarketing Closing Date of the representations and warranties of the Company included and incorporated by reference herein and the performance by the Company of its obligations under the Remarketing Agreement and this Agreement as and when required hereby and thereby). In addition, anything herein or in the Remarketing Agreement to the contrary notwithstanding, the Remarketing Agreement and this Agreement may be terminated by the Remarketing Agent, by notice to the Company at any time prior to the time of settlement on the Remarketing Closing Date, if any of the events or conditions set forth in Section 10 of the Underwriting Agreement, as modified by Section 3(b) hereof, shall have occurred or shall exist.

8. **Indemnity and Contribution.** Anything herein to the contrary notwithstanding, the Remarketing Agent shall be entitled to indemnity and contribution on the terms and conditions set forth in the Remarketing Agreement.

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If the foregoing is in accordance with your understanding of our agreement, please sign and return to us the enclosed duplicate hereof, whereupon this letter and your acceptance shall represent a binding agreement among the Company and the several Remarketing Underwriters.

Very truly yours,

GREAT PLAINS ENERGY INCORPORATED

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

CONFIRMED AND ACCEPTED:

MERRILL LYNCH & CO.  
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

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

BNY MIDWEST TRUST COMPANY,  
not individually but solely as Purchase  
Contract Agent and as attorney-in-fact  
for the holders of the Purchase Contracts

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

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Schedule I to Supplemental Remarketing Agreement

Securities subject to the remarketing: Senior Notes initially due 2009 of the Company (the "Securities").

Purchase Contract Agreement, dated as of June [ ], 2004 (the "Purchase Contract Agreement"), by and between Great Plains Energy Incorporated, a Missouri corporation, and BNY Midwest Trust Company.

Pledge Agreement, dated as of June [ ], 2004 (the "Pledge Agreement"), by and among Great Plains Energy Incorporated, a Missouri corporation, BNY Midwest Trust Company and BNY Midwest Trust Company.

Indenture dated as of [ ], 200[ ] (the "Base Indenture"), by and between Great Plains Energy Incorporated, a Missouri corporation, and BNY Midwest Trust Company, as supplemented by the First Supplemental Indenture, establishing the Securities.

Aggregate Principal Amount of Securities: \$ \_\_\_\_\_ .

Underwriting Agreement, dated June [ ], 2004 (the "Underwriting Agreement"), between Great Plains Energy Incorporated and Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated.

Three-Day Remarketing Period: \_\_\_\_\_, \_\_\_\_\_ ["Day 1"], \_\_\_\_\_, \_\_\_\_\_ ["Day 2"] and \_\_\_\_\_, \_\_\_\_\_ ["Day 3"] .

Remarketing Closing Date, Time and Location: [ \_\_\_\_\_, \_\_\_\_\_ (if a successful remarketing occurs on Day 1), \_\_\_\_\_, \_\_\_\_\_ (if a successful remarketing occurs on Day 2) or \_\_\_\_\_, \_\_\_\_\_ (if a successful remarketing occurs on Day 3)] [February 16, 2007].

## FIRST SUPPLEMENTAL INDENTURE

DATED AS OF JUNE [ ], 2004

BETWEEN

GREAT PLAINS ENERGY INCORPORATED,

AS ISSUER

AND

BNY MIDWEST TRUST COMPANY,

AS TRUSTEE

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**ARTICLE VIII  
REMARKETING**

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Remarketing Procedures.

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This FIRST SUPPLEMENTAL INDENTURE, dated as of June [ ], 2004 (the "First Supplemental Indenture"), between Great Plains Energy Incorporated, a corporation duly organized and existing under the laws of the State of Missouri (the "Company"), and BNY Midwest Trust Company, as trustee (the "Trustee").

WHEREAS, the Company executed and delivered the Indenture, dated as of [ ], 200[ ] (the "Base Indenture"), to the Trustee, to provide for the issuance from time to time of the Company's unsecured senior debentures, notes, or other evidences of indebtedness (the "Securities"), to be issued in one or more series as may be determined by the Company under the Base Indenture; and

WHEREAS, pursuant to the terms of the Base Indenture, the Company desires to provide for the establishment of a new series of its Securities to be known as its "Senior Notes initially due 2009" (the "Notes"), the form and terms of such Notes and the terms, provisions and conditions thereof to be set forth as provided in the Base Indenture and this First Supplemental Indenture (together, the "Indenture"); and

WHEREAS, the Company has requested that the Trustee execute and deliver this First Supplemental Indenture and all requirements necessary to make this First Supplemental Indenture a valid, binding and enforceable instrument in accordance with its terms, and to make the Notes, when executed, authenticated and delivered by the Company, the valid, binding and enforceable obligations of the Company, have been done and performed, and the execution and delivery of this First Supplemental Indenture has been duly authorized in all respects.

NOW THEREFORE, in consideration of the purchase and acceptance of the Notes by the Holders thereof, and for the purpose of setting forth, as provided in the Base Indenture, the form and terms of the Notes, the Company covenants and agrees with the Trustee as follows:

**ARTICLE I  
DEFINITIONS**

Section 1.01. *Definition Of Terms.* Unless the context otherwise requires:

(a) unless defined in this First Supplemental Indenture, a term defined in the Base Indenture, and if not defined therein, in the Purchase Contract Agreement, and if not defined therein, in the Pledge Agreement, has the same meaning when used in this First Supplemental Indenture;

(b) a term defined anywhere in this First Supplemental Indenture has the same meaning throughout;

(c) the singular includes the plural and vice versa;

(d) the following terms have the meanings given to them in this Section 1.01(d):

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"Business Day" means any day other than a Saturday, Sunday or any other day on which banking institutions and trust companies in New York City (in the State of New York) are permitted or required by any applicable law to close.

"Pledge Agreement" means the Pledge Agreement, dated as of June [ ], 2004, by and among the Company, BNY Midwest Trust Company, as collateral agent (the "Collateral Agent"), custodial agent and securities intermediary (the "Securities Intermediary"), and BNY Midwest Trust Company, as purchase contract agent and attorney-in-fact.

"Purchase Contract Agreement" means the Purchase Contract Agreement, dated as of June [ ], 2004, between the Company and BNY Midwest Trust Company, as purchase contract agent.

"Remarketing Agreement" shall mean the Remarketing Agreement contemplated by Article VIII hereof, by and among the Company, BNY Midwest Trust Company, not individually but solely as Purchase Contract Agent and as attorney-in-fact of the holders of Purchase Contracts, and the Remarketing Agent.

"Remarketing Price" has the meaning set forth in Section 8.01(c)(iv) hereof, as applicable.

"Reset Rate" has the meaning set forth in Section 8.01(e) hereof.

"Separate Note" means the Separate Debt Security (as such term is defined in the Purchase Contract Agreement).

"Separate Notes Purchase Price" means the Separate Debt Securities Purchase Price (as such term is defined in the Purchase Contract Agreement).

"Subsequent Interest Payment Date" means, following the Reset Date, such semi-annual interest payment dates as may be established by the Company in its discretion.

The terms "First Supplemental Indenture," "Company," "Trustee," "Base Indenture," "Securities," "Notes" and "Indenture" shall have the respective meanings set forth in the recitals to this First Supplemental Indenture and the paragraph preceding such recitals.

## ARTICLE II GENERAL TERMS AND CONDITIONS OF THE NOTES

Section 2.01 *Designation and Principal Amount.* There is hereby authorized a series of Securities designated as the "Senior Notes initially due 2009" (the "Notes") limited in aggregate principal amount to \$[ ] (or, \$[ ], if the underwriters' over-allotment option pursuant to the Underwriting Agreement is exercised in full).

Section 2.02. *Maturity.* Unless an earlier Special Event Redemption has occurred, the Notes shall mature and the principal amount thereof shall be due and payable together with all accrued and unpaid interest thereon on the Stated Maturity. The "Stated Maturity" shall mean February 16, 2009 unless extended by the Company in connection with a successful remarketing of the Notes pursuant to the Remarketing Agreement; provided that, (i) in no event shall such Stated Maturity be earlier than February 16, 2009; (ii) in connection with any successful remarketing of the Notes pursuant to the Remarketing Agreement, the Company shall have the right to extend the Stated Maturity to a date that is up to 10 years from the Reset Date; and (iii) if there shall have been a Failed Remarketing, the Stated Maturity shall remain February 16, 2009.

Section 2.03. *Form and Denomination; Global Notes.* The Notes, interests in which comprise a component of Income PRIDES, shall initially be issued in certificated form in the name of BNY Midwest Trust Company, as Purchase Contract Agent, bearing identical terms as set forth herein. Notes, interests in which do not comprise a component of Income PRIDES, will be issued as book-entry Global Notes, registered in the name of Cede & Co. (as nominee for The Depository Trust Company, the initial Depository for the Notes) bearing identical terms as set forth herein.

The Notes may bear such legends as either the Purchase Contract Agent or the Depository, respectively, may reasonably request.

The Notes shall be issued in denominations of \$1,000 and integral multiples of \$1,000 in excess thereof.

Section 2.04. *Payment and Appointment.* Principal of and interest on the Notes shall be payable at, and registration of transfers and exchanges in respect of the Notes may be effected at, the office or agency maintained by the Company in the Borough of Manhattan, City of New York. Payment of interest may be made, at the option of the Company, by check mailed to the address of the Persons entitled thereto or by wire transfer to an account designated by the Person entitled thereto. Notices and demands to or upon the Company in respect of the Notes may be served at the office or agency of the Company in the Borough of Manhattan, City of New York. The Paying Office of the Trustee will initially be the agency of the Company for such payment, registration and registration of transfers and exchanges and service of notices and demands and the Company hereby appoints the Trustee as its agent for all such purposes; provided, however, that the Company reserves the right to change, by one or more Officer's Certificates, any such office agency and such agent. The Trustee will initially be the Transfer Agent, Security Registrar and the Paying Agent for the Notes.

Section 2.05. *Interest.*

(a) The Notes shall bear interest at the per annum rate payable as follows: (i) quarterly in arrears at an initial rate of [ ]% per annum payable each February 16, May 16, August 16 and November 16, commencing [ ], 2004 to (but excluding) the Reset Date or, if there shall have been a Failed Remarketing, to (but excluding) February 16, 2009, and (ii) from and after the Reset Date, if any, semi-annually in arrears on the



Subsequent Interest Payment Dates, at the Reset Rate (each, an "Interest Payment Date") until the principal hereof is paid or made available for payment. Semi-annual interest payments will include interest accrued from

and including the immediately preceding Subsequent Interest Payment Date or, in the case of the first Subsequent Interest Payment Date following the Reset Date, from the Reset Date. If the Reset Date is not an Interest Payment Date, the Company shall on such Reset Date pay to the Holders on the Regular Record Date preceding the Reset Date (as if the Reset Date were an Interest Payment Date) the accrued and unpaid interest from the most recent Interest Payment Date to (but excluding) such Reset Date at the rate of interest in effect on the Notes prior to the Reset Date. If the Reset Date is not an Interest Payment Date, the interest payment described in the previous sentence attributable to Notes pledged as collateral pursuant to the Pledge Agreement (the "Pledged Notes") and held as a component of the Company's Income PRIDES initially issued on June [ ], 2004 (the "Income PRIDES") shall be paid to the Collateral Agent. Interest on the Notes of this series will accrue from June [ ], 2004.

(b) The amount of interest payable for any period will be computed on the basis of a 360-day year consisting of twelve 30-day months. In the event that any Interest Payment Date is not a Business Day, then payment of interest payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay); provided, however, that if such next succeeding Business Day is in the next succeeding calendar year, such payment will be made on the immediately preceding Business Day, in each case with the same force and effect as if made on the corresponding Interest Payment Date.

Section 2.06. *Record Dates.* Each installment of interest on a Note shall be payable to the Person in whose name such Note is registered at the close of business on the Regular Record Date for each Interest Payment Date, which, prior to the Reset Date, will be the Business Day prior to the relevant Interest Payment Date and, after the Reset Date, will be as determined by the Company in connection with the remarketing and the establishment by the Company of the Subsequent Interest Payment Dates.

Section 2.07. *No Charge of Registration of Transfer.* No service charge shall be made for the registration of transfer or exchange of the Notes; provided, however, that the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the exchange or transfer.

### ARTICLE III REDEMPTION OF THE NOTES

Section 3.01 *Special Event Redemption.* If a Special Event shall occur and be continuing, the Company may, at its option, redeem the Notes in whole (but not in part) at any time ("Special Event Redemption") at a redemption price (the "Redemption Price") equal to, for each Note, the Redemption Amount plus accrued and unpaid interest thereon, if any, to (but excluding) the date of redemption (the "Special Event Redemption Date"). The Redemption Price payable with respect to any Pledged Notes will be paid to the Collateral Agent. Except as provided above, such Special Event Redemption shall be in accordance with Article III of the Base Indenture.

Except in connection with a Special Event Redemption, the Notes will not be redeemable by the Company prior to the Stated Maturity.

Section 3.02 *Put Option.* If each attempted remarketing has resulted in a Failed Remarketing, each Holder on the day immediately following the Purchase Contract Settlement Date shall have the right to require the Company to purchase such Holder's Notes on April 1, 2007 (the "Put Option Exercise Date"), upon at least three Business Days' prior notice, at a price equal to 100% of the principal amount of such Notes, plus accrued and unpaid interest, if any, thereon (the "Repayment Price"). In order for the Notes to be so repurchased, the Company must receive, on or prior to 5:00 p.m. New York City Time on the third Business Day immediately preceding the Put Option Exercise Date, at the then principal executive offices of the Company, the Notes to be repurchased with the form entitled "Option to Elect Repayment", on the reverse of or otherwise accompanying such Notes duly completed. Any such notice received by the Company shall be irrevocable. All questions as to the validity, eligibility (including time of receipt) and acceptance of the Notes for repayment shall be determined by the Company, whose determination shall be final and binding. The payment of the Repayment Price in respect of the Notes shall be made no later than 12:00 noon, New York City time, on the Put Option Exercise Date.

Section 3.03. *No Sinking Fund.* The Notes are not entitled to the benefit of any sinking fund.

### ARTICLE IV FORM OF NOTE

Section 4.01. *Form Of Note.* The Notes and the Trustee's certificate of authentication to be endorsed thereon are to be substantially in the forms attached as Exhibit A hereto, with such changes therein as the officers of the Company executing the Notes (by manual or facsimile signature) may approve, such approval to be conclusively evidenced by their execution thereof.

### ARTICLE V ORIGINAL ISSUE OF NOTES

Section 5.01 *Original Issue Of Notes.* Notes in the aggregate principal amount of \$[ ] (or, \$[ ], if the underwriters' over-allotment option pursuant to the Underwriting Agreement is exercised in full) may from time to time, upon execution of this First Supplemental Indenture, be executed by the Company and delivered to the Trustee for authentication, and the Trustee shall thereupon authenticate and deliver said Notes to or upon the written order of the Company pursuant to Section 2.05 of the Base Indenture without any further action by the Company.

### ARTICLE VI ORIGINAL ISSUE DISCOUNT

**Section 6.01 Original Issue Discount.** The Company shall file with the Trustee promptly at the end of each calendar year (i) a written notice specifying the amount of original issue discount (including daily rates and accrual periods) accrued on Notes that are Outstanding as of the end of the year and (ii) such other specific information relating to such original issue discount as may then be relevant under the Internal Revenue Code of 1986, as amended from time to time.

## ARTICLE VII MISCELLANEOUS

**Section 7.01. Ratification of Indenture.** The Indenture, as supplemented by this First Supplemental Indenture, is in all respects ratified and confirmed, and this First Supplemental Indenture shall be deemed part of the Base Indenture in the manner and to the extent herein and therein provided.

**Section 7.02. Governing Law.** This First Supplemental Indenture and each Note shall be governed by and deemed to be a contract under, and construed in accordance with, the laws of the State of New York, and for all purposes shall be construed in accordance with the laws of said State without regard to conflicts of law principles thereof.

**Section 7.03. Execution in Counterparts.** This First Supplemental Indenture may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

## ARTICLE VIII REMARKETING

### Section 8.01. Remarketing Procedures.

(a) Pursuant to the Remarketing Agreement, the Pledge Agreement and the Purchase Contract Agreement and as described below, the Company (i) may, at its option, and in its sole discretion, elect to cause the Remarketing Agent to remarket, in whole (but not in part), during one or more Three-Day Remarketing Periods during the Period for Early Remarketing, (A) the Pledged Notes of Income PRIDES holders who have not already settled the purchase contracts included in their Income PRIDES, and (B) any Separate Notes of Holders who have elected in the manner set forth herein to have their Notes so remarketed, for settlement on the third Business Day following an Early Remarketing Date on which a successful remarketing occurs, and (ii) unless the Notes have been successfully remarketed or a Special Event Redemption Date has occurred or will occur on or prior to the Purchase Contract Settlement Date, during the Final Three-Day Remarketing Period, cause the Remarketing Agent to remarket, in whole (but not in part), (A) the Pledged Notes of Income PRIDES holders who have not already settled the

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purchase contracts included in their Income PRIDES and who have failed to notify the Purchase Contract Agent, on or prior to the seventh Business Day immediately preceding the Purchase Contract Settlement Date, of their intention to settle such purchase contracts in cash, and (B) any Separate Notes of Holders who have elected in the manner set forth herein to have their Notes so remarketed, for settlement on the Purchase Contract Settlement Date. Notwithstanding anything contained herein to the contrary, following a successful remarketing, there shall be no more remarketings of the Notes.

(b) The Company will request, not later than seven nor more than 15 calendar days prior to each Remarketing Announcement Date, that the Depository (or any successor or its nominee) notify the Depository participants holding Notes of the remarketing.

(c) On each Remarketing Announcement Date, the Company will announce (the "Remarketing Announcement") the proposed remarketing of the Notes. The Remarketing Announcement shall specify the following:

(i) that the Notes may be remarketed on any (i) all of the possible Remarketing Dates of the forthcoming Three-Day Remarketing Period, which dates shall be the fourth, fifth and sixth Business Days following such Remarketing Announcement Date;

(ii) (A) if the Remarketing Announcement relates to a remarketing to occur during the Period for Early Remarketing, that the Reset Date will be the third Business Day following the Remarketing Date on which there has been a successful remarketing; or

(B) if the Remarketing Announcement relates to a remarketing to occur during the Final Three-Day Remarketing Period, that the Reset Date will be February 16, 2007 if there is a successful remarketing;

(iii) that the Reset Rate and Subsequent Interest Payment Dates for the Notes will be established, and that the Stated Maturity of the Notes may be extended by the Company, on the Remarketing Date and effective on and after the Reset Date;

(iv) (A) if the Remarketing Announcement relates to a remarketing to occur during the Period for Early Remarketing, that that the Reset Rate will equal the interest rate on the Notes that will enable the Notes to be remarketed at a price (a "Remarketing

Price") equal to at least 100% of the sum of the Remarketing Treasury Portfolio Purchase Price and the Separate Notes Purchase Price, plus the applicable Remarketing Fee; or

(B) if the Remarketing Announcement relates to a remarketing to occur during the Final Three-Day Remarketing Period, that the Reset Rate will equal the interest rate on the Notes that will enable the Notes to be remarketed at a price (also a "Remarketing Price") equal to at least 100% of their aggregate principal amount, plus the applicable Remarketing Fee; and

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(v) the range of the Remarketing Fee.

On the Business Day immediately following the Remarketing Announcement Date, the Company will cause the Remarketing Announcement to be published in an Authorized Newspaper. In the event that all of the remarketing attempts during a Three-Day Remarketing Period are unsuccessful, the Company will cause a notice of the unsuccessful remarketing attempt to be published in an Authorized Newspaper no later than the second Business Day following the last Remarketing Date of such Three-Day Remarketing Period (which notice, if the unsuccessful remarketing attempt occurred during the Final Three-Day Remarketing Period, shall include the procedures that must be followed if a Holder of Notes wishes to exercise its right to put such Notes to the Company).

(d) On or prior to the second Business Day, but no earlier than the fifth Business Day, immediately preceding the first Remarketing Date of a proposed Three-Day Remarketing Period, Holders of Separate Notes may elect to have their Notes remarketed in the same manner as Pledged Notes by delivering their Separate Notes, along with a notice of such election to the Custodial Agent. The Company shall cause the Custodial Agent to hold the Separate Notes so delivered for remarketing in an account separate from the Collateral Account (as defined in the Pledge Agreement). Holders of Separate Notes electing to have those Notes remarketed will also have the right to withdraw the election on or prior to the second Business Day immediately preceding the first Remarketing Date of the proposed Three-Day Remarketing Period. Holders of Separate Notes may elect to have such Notes included in each remarketing attempt made by the Remarketing Agent during future Three-Day Remarketing Periods by re-delivering their Notes and notice of election in the manner described above.

(e) Unless and until there has been a successful remarketing on a Remarketing Date, on each proposed Remarketing Date during each Three-Day Remarketing Period, the Company shall cause the Remarketing Agent to use its reasonable efforts to remarket the Notes that the Collateral Agent and the Custodial Agent shall have notified the Remarketing Agent have been tendered for, or otherwise are to be included in, the remarketing, at a price per \$1,000 principal amount of the Notes such that the aggregate price for the aggregate principal amount of the Notes being remarketed on that date will be at least the Remarketing Price. The Remarketing Agent shall determine, in consultation with the Company, the reset interest rate that it believes will, when applied to the Notes (with any extension of the Stated Maturity as determined by the Company pursuant to 2.05 of this First Supplemental Indenture taken into account), enable the aggregate principal amount of the Notes being remarketed on such date to be sold at an aggregate price equal to at least the Remarketing Price. The reset interest rate established on the Remarketing Date on which a successful remarketing occurs shall be the "Reset Rate."

(f) In the event of a successful remarketing, on the Remarketing Date, the Remarketing Agent shall notify (i) the Collateral Agent, the Custodial Agent, the Purchase Contract Agent, the Company, the Trustee, the Depository and the Clearing Agency of the Reset Rate determined in such remarketing, the Subsequent Interest Payment Dates, any extension by the Company of the Stated Maturity of the Notes and the aggregate principal amount of Notes sold in such remarketing, (ii) each purchaser of the Reset Rate, the Subsequent Interest Payment Dates, the Stated Maturity of the Notes and the aggregate principal amount such purchaser is to

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purchase and (iii) each purchaser to give instructions to its Depository participant to pay the purchase price on the Reset Date in same day funds against delivery of the Notes purchased through the Depository's normal procedures. In addition, the Company will request the Depository to notify its participants, no later than the Business Day next succeeding the Remarketing Date, of the Reset Rate, the Subsequent Interest Payment Dates and any extension of the Stated Maturity of the Notes.

(g) In accordance with the Depository's normal procedures, on the Reset Date, the transactions described above with respect to each Note tendered for purchase and sold in such remarketing shall be executed through the Depository, and the accounts of the respective Depository participants shall be debited and credited and such Notes delivered by book entry as necessary to effect purchases and sales of such Notes. The Depository shall make payment in accordance with its normal procedures.

(h) In the event all remarketing attempts during a Three-Day Remarketing Period are unsuccessful, the Company shall cause the Remarketing Agent to return, no later than the Business Day immediately following the end of such Three-Day Remarketing Period, the Pledged Notes to the Collateral Agent and the Separate Notes delivered for remarketing to the Custodial Agent for return to the Holders. In addition, the Company shall cause the Custodial Agent to return such Separate Notes to their Holders, no later than the Business Day immediately following such unsuccessful remarketing attempt.

(i) In no event shall the aggregate price for the Notes in a remarketing be less than (i) in the case of a remarketing during the Period for Early Remarketing, 100% of the sum of the Remarketing Treasury Portfolio Purchase Price and the Separate Notes Purchase Price or (ii) in the case of a remarketing during the Final Three-Day Remarketing Period, 100% of the aggregate principal amount of the Notes being remarketed ((i) or (ii), as applicable, the "Minimum Price"). A remarketing attempt on any Remarketing Date will be deemed unsuccessful if the (i) Remarketing Agent is unable to remarket the Notes for an aggregate price that is at least equal to the Minimum Price; or (ii) if a condition precedent to such remarketing is not fulfilled.

(j) The Remarketing Agent shall not have any obligation whatsoever to purchase any Notes, whether a remarketing or otherwise, and shall in no way be obligated to provide funds to make payment upon tender of Notes for remarketing or to otherwise expend or risk their own funds or incur or be exposed to financial liability in the performance of their respective duties under the Remarketing Agreement, and, without limitation of the foregoing, the Remarketing Agent shall not be deemed an underwriter of the remarketed Notes. The Company shall not be obligated in any case to provide funds to make payment upon tender of Notes for remarketing.

IN WITNESS WHEREOF, Great Plains Energy Incorporated has caused this First Supplemental Indenture to be signed and acknowledged by its Vice President of Finance, Chief Financial Officer and Treasurer, and attested by its Senior Vice President - Corporate Services and Secretary, and BNY Midwest Trust Company has caused this First Supplemental Indenture to be signed and acknowledged by its Vice President, as of the day and year first written above.

GREAT PLAINS ENERGY INCORPORATED

By: \_\_\_\_\_  
Vice President - Finance, Chief Financial Officer and Treasurer

ATTEST:

\_\_\_\_\_  
Senior Vice President - Corporate Services and Secretary

BNY MIDWEST TRUST COMPANY,  
as Trustee

By: \_\_\_\_\_  
Vice President

EXHIBIT A

[IF THE NOTE IS TO BE A GLOBAL NOTE, INSERT:] 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 EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED, AND NO TRANSFER OF THIS SECURITY IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH DEPOSITARY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

GREAT PLAINS ENERGY INCORPORATED

SENIOR NOTE INITIALLY DUE 2009

GREAT PLAINS ENERGY INCORPORATED, a corporation duly organized and existing under the laws of the State of Missouri (herein referred to as the "Company", which term includes any successor Person under the Indenture), for value received, hereby promises to pay to [Cede & Co.][NAME OF OTHER REGISTERED HOLDER] or registered assigns, the principal sum of [\_\_\_\_\_] Dollars on the Stated Maturity (as defined on the reverse hereof). This Note shall bear interest at the per annum rate payable as follows: (i) quarterly in arrears at an initial rate of [ ]% per annum on each February 16, May 16, August 16 and November 16, commencing [ ] to (but excluding) the Reset Date or, if there shall be no Reset Date, until August 16, 2009, and (ii) from and after the Reset Date, if any, semi-annually in arrears on the Subsequent Interest Payment Dates, at the Reset Rate (each an "Interest Payment Date") until the principal hereof is paid or made available for payment. If the Reset Date is not an Interest Payment Date, the Company shall pay to the Holders on the Regular Record Date preceding the Reset Date (as if the Reset Date was an Interest Payment Date) the accrued and unpaid interest from the most recent Interest Payment Date to, but excluding, such Reset Date at the rate of interest in effect on the Notes prior to the Reset Date. If the Reset Date is not an Interest Payment Date, the interest payment described in the previous sentence attributable to Notes pledged as collateral pursuant to the Pledge Agreement (the "Pledged Notes") and held as a component of the Company's Income PRIDES initially issued on June [ ], 2004 (the "Income PRIDES") shall be paid to the Collateral Agent. Interest on the Notes of this series will accrue from June [ ], 2004.

The amount of any interest payable for any period will be computed on the basis of a 360-day year consisting of twelve 30-day months. In the event that any Interest Payment Date is not a Business Day, then payment of interest payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of such delay); provided, however, that if such next succeeding Business Day is in the next succeeding calendar year, then such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on the corresponding Interest Payment Date. Each installment of interest on this Note shall be payable to the Person in

whose name such Note is registered at the close of business on the Regular Record Date for each Interest Payment Date, which, prior to the Reset Date, will be the Business Day prior to the relevant Interest Payment Date and, after the Reset Date, will be as determined by the Company in connection with the remarketing and the establishment by the Company of the Subsequent Interest Payment Dates.

Principal of (and premium, if any) and interest on this Note shall be payable at, and registration of transfers and exchanges in respect of this Note may be effected at, the office or agency maintained by the Company in the Borough of Manhattan, City of New York. Payment of interest may be made, at the option of the Company by check mailed to the address of the Persons entitled thereto or by wire transfer to an account

designated by the Person entitled thereto. Notices and demands to or upon the Company in respect of this Note may be served at the office or agency of the Company in the Borough of Manhattan, City of New York.

Reference is hereby made to the further provisions of this Note 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 Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

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

GREAT PLAINS ENERGY INCORPORATED

By: \_\_\_\_\_

Name:

Title:

By: \_\_\_\_\_

Name:

Title:

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CERTIFICATE OF AUTHENTICATION

Dated: [\_\_\_\_], [\_\_\_\_]

This Note is one of the series of Securities designated, described or provided for in the within-mentioned Indenture.

BNY MIDWEST TRUST COMPANY, as  
Trustee

By: \_\_\_\_\_

Name:

Title:

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(FORM OF REVERSE OF NOTE)

This Note is one of a duly authorized issue of securities of the Company (herein called the "Notes"), issued and to be issued under an Indenture, dated as of [ ], 200[ ] (herein called the "Base Indenture"), and a First Supplemental Indenture, dated as of June [ ], 2004 (herein called the "First Supplemental Indenture" and, together with the Base Indenture, and any amendments to either thereto, the "Indenture"), each between the Company and BNY Midwest Trust Company, 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 Trustee and the Holders of the Notes and of the terms upon which the Notes are, and are to be, authenticated and delivered.

Unless an earlier Special Event Redemption has occurred, this Note shall mature and the principal amount thereof shall be due and payable together with all accrued and unpaid interest thereon on the Stated Maturity. The "Stated Maturity" shall mean February 16, 2009 unless extended by the Company in connection with a successful remarketing of the Notes pursuant to the Remarketing Agreement; provided that, (i) in no event shall such Stated Maturity be earlier than February 16, 2009; (ii) in connection with any successful remarketing of the Notes pursuant to the Remarketing Agreement, the Company shall have the right to extend the Stated Maturity to a date that is up to 10 years from the Reset Date; and (ii) if there shall have been a Failed Remarketing, the Stated Maturity shall remain February 16, 2009.

If the Notes are successfully remarketed in accordance with the Remarketing Agreement, the "Subsequent Interest Payment Date" shall mean, following the Reset Date, such semi-annual interest payment dates as may be established by the Company in its discretion.

If a Special Event shall occur and be continuing, the Company may, at its option, redeem the Notes in whole (but not in part) at any time at a Redemption Price equal to the Redemption Amount plus accrued and unpaid interest thereon to the Special Event Redemption Date.

If this Note is not a component of Income PRIDES, the Holder of this Note may, on or prior to the second Business Day, but no earlier than the fifth Business Day, immediately preceding the first Remarketing Date of a proposed Three-Day Remarketing Period, elect to have this Note remarketed in the same manner as Pledged Notes, by delivering this Note, along with a notice of such election to BNY Midwest Trust Company, as Custodial Agent, for remarketing in accordance with the Pledge Agreement.

If a Failed Remarketing occurs, the Holder of this Note on the day immediately following the Purchase Contract Settlement Date shall have the right to require the Company to purchase this Note on April 1, 2007 (the "Put Option Exercise Date"), upon at least three Business Days' prior notice, at a price equal to 100% of the principal amount of this Note, plus accrued and unpaid interest, if any, thereon (the "Repayment Price").

In order for this Note to be so repurchased, the Company must receive, on or prior to 5:00 p.m. New York City Time on the third Business Day immediately preceding the Put Option Exercise Date, at the then principal executive offices of the Company, this Note with the form

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entitled "Option to Elect Repayment", on the reverse of or otherwise accompanying this Note duly completed. Any such notice received by the Company shall be irrevocable. All questions as to the validity, eligibility (including time of receipt) and acceptance of the Notes for repayment shall be determined by the Company, whose determination shall be final and binding. The payment of the Repayment Price in respect of the Notes shall be made no later than 12:00 noon, New York City time, on the Put Option Exercise Date.

The Indenture contains provisions for defeasance at any time of the entire indebtedness of this Note upon compliance with certain conditions set forth in the Indenture.

If an Event of Default with respect to the Notes shall occur and be continuing, the principal of the Notes may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in principal amount of the Securities at the time outstanding of all series to be affected. The Indenture contains provisions permitting the Holders of a majority in aggregate principal amount of the Securities of all series then outstanding to waive compliance by the Company with certain provisions of the Indenture. 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 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 Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note 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 Note.

As provided in and subject to the provisions of the Indenture, the Holder of this Note shall not have the right to institute any action, suit or 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 an Event of Default with respect to the Notes and the continuance thereof, the Holders of a majority in the aggregate principal amount of the Securities of all series at the time outstanding in respect of which an Event of Default shall have occurred and be continuing, considered as one class, shall have made written request to the Trustee to institute such action, suit or proceeding in respect of such Event of Default as Trustee and offered the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee for 60 days after its receipt of such notice, request and offer of indemnity, shall have neglected or refused to institute any such action, suit or proceeding. The foregoing shall not apply to any suit instituted by the Holder of this Note 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 Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay

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the principal of and any premium and interest on this Note at the times, place and rate, and in the coin or currency, herein prescribed.

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

No service charge shall be made for any such registration of transfer or exchange; provided, however, that the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with such exchange or transfer.

The Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Note is registered as the absolute owner hereof for all purposes, whether or not this Note be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

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

**OPTION TO ELECT REPAYMENT**

The undersigned hereby irrevocably requests and instructs the Company to repay \$\_\_\_\_\_ principal amount of the within Note, pursuant to its terms, on the "Put Option Exercise Date," together with any interest thereon accrued but unpaid to the date of repayment, to the undersigned at:

\_\_\_\_\_

(Please print or type name and address of the undersigned)

and to issue to the undersigned, pursuant to the terms of the Note, a new Note or Note representing the remaining aggregate principal amount of this Note.

For this Option to Elect Repayment to be effective, this Note with the Option to Elect Repayment duly completed must be received by the Company at its principal executive office, Attn: Secretary, no later than 5:00 p.m. on the third Business Day prior to April 1, 2007.

Dated:

Signature: \_\_\_\_\_

Signature Guarantee: \_\_\_\_\_

Note: The signature to this Option to Elect Repayment must correspond with the name as written upon the face of the within Note without alternation or enlargement or any change whatsoever.

**SIGNATURE GUARANTEE**

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

**ASSIGNMENT**

FOR VALUE RECEIVED, the undersigned assigns and transfers this Senior Note initially due 2009 to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Insert assignee's social security or tax identification number)

\_\_\_\_\_  
\_\_\_\_\_

(Insert address and zip code of assignee) and irrevocably appoints

\_\_\_\_\_  
\_\_\_\_\_

agent to transfer this Note on the Register. The agent may substitute another to act for him or her.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Signature Guarantee: \_\_\_\_\_

(Sign exactly as your name appears on the other side of this Note)

**SIGNATURE GUARANTEE**

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