

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

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

Schlumberger N.V.
(Schlumberger Limited)
(Exact name of registrant as specified in its charter)

Netherlands Antilles
(State or other jurisdiction
of incorporation or organization)

52-0684746
(I.R.S. Employer
Identification No.)

153 East 53rd Street, 57th Floor
New York, New York 10022-4624
(212) 350-9400

42, rue Saint-Dominique
Paris, France 75007
33-1-4062-1000

Parkstraat 83, The Hague
The Netherlands, 2514 JG
31-70-310-5400

(Address, including zip code and telephone number, including area code, of registrant's principal executive offices)

Ellen Summer, Esq.
General Counsel and Secretary
Schlumberger Limited
153 East 53rd Street, 57th Floor
New York, New York 10022-4624
(212) 350-9400

(Name, address, including zip code and telephone number, including area code, of agent for service)

Copy to:

J. David Kirkland, Jr.
Baker Botts L.L.P.
3000 One Shell Plaza
910 Louisiana
Houston, Texas 77002
(713) 229-1101

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this Registration Statement.

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

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

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

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

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

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
1.500% Series A Convertible Debentures due June 1, 2023	\$975,000,000(1)	100%	\$975,000,000(1)	\$78,877.50
2.125% Series B Convertible Debentures due June 1, 2023	\$450,000,000(1)	100%	\$450,000,000(1)	\$36,405.00
Common Stock, par value \$.01 per share	19,104,863 shares (2)	— (2)	— (2)	— (3)

(1) Estimated solely to compute the amount of the registration fee under Rule 457(o) under the Securities Act and exclusive of accrued interest.

(2) This number represents the number of shares of common stock that are currently issuable upon the conversion of (a) the 1.500% Series A Convertible Debentures due June 1, 2023, based on an initial conversion rate of 13.8255 shares per \$1,000 principal amount, and (b) the 2.125% Series B Convertible Debentures due June 1, 2023, based on an initial conversion rate of 12.500 shares per \$1,000 principal amount. Pursuant to Rule 416 under the Securities Act of 1933, we are also registering an indeterminable number of shares of common stock as may be issued in connection with a stock split, stock dividend, recapitalization or similar event.

(3) Under Rule 457(i) under the Securities Act of 1933, no separate registration fee is required for the shares of common stock currently issuable upon conversion of the debentures because no additional consideration will be received upon conversion of the debentures.

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

The information in this prospectus is not complete and may be changed. The selling securityholders may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer of sale is not permitted.

SUBJECT TO COMPLETION, DATED SEPTEMBER 12, 2003

\$1,425,000,000

Schlumberger Limited

1.500% Series A Convertible Debentures due June 1, 2023

2.125% Series B Convertible Debentures due June 1, 2023

and

Common Stock Issuable Upon Conversion of the Debentures

Schlumberger

This prospectus relates to \$975,000,000 in aggregate principal amount of our 1.500% Series A Convertible Debentures due June 1, 2023 and \$450,000,000 in aggregate principal amount of our 2.125% Series B Convertible Debentures due June 1, 2023. We originally issued and sold the debentures in a private placement in June 2003. Selling securityholders may use this prospectus, as supplemented from time to time by prospectus supplements, to resell their debentures and the common stock issuable upon conversion of the debentures.

Interest on the debentures is payable on June 1 and December 1 of each year, beginning on December 1, 2003. The Series A debentures and the Series B debentures are our senior unsecured obligations and rank equal in right of payment with all of our other senior unsecured indebtedness.

The debentures are convertible, at the holders' option, into our common stock. Holders of the Series A debentures may convert their debentures into common stock at a conversion rate of 13.8255 shares for each \$1,000 principal amount of Series A debentures (equivalent to an initial conversion price of \$72.33 per share). Holders of the Series B debentures may convert their debentures into common stock at a conversion rate of 12.5000 shares for each \$1,000 principal amount of Series B debentures (equivalent to an initial conversion price of \$80.00 per share). Each conversion rate may be adjusted for certain events. Our common stock is listed on the New York Stock Exchange under the symbol "SLB." On September 9, 2003, the closing sale price of our common stock as reported on the New York Stock Exchange was \$48.96 per share.

On or after June 6, 2008 (in the case of the Series A debentures) or June 6, 2010 (in the case of the Series B debentures), we may redeem for cash all or part of the applicable series of debentures, upon notice to the holders, at the redemption prices of 100% of the principal amount of the debentures, plus accrued and unpaid interest to the date of redemption. On June 1, 2008, June 1, 2013, and June 1, 2018, each of which we refer to as a Series A repurchase date, holders of Series A debentures may require us to repurchase their Series A debentures. On June 1, 2010, June 1, 2013 and June 1, 2018, each of which we refer to as a Series B repurchase date, holders of Series B debentures may require us to repurchase their Series B debentures. The repurchase price will be 100% of the principal amount of the debentures plus accrued and unpaid interest to the repurchase date. The repurchase price for repurchases on June 1, 2008 (in the case of the Series A debentures) and June 1, 2010 (in the case of the Series B debentures) will be paid in cash. On the other repurchase dates, we may choose to pay the repurchase price in cash or common stock or any combination of cash and common stock. In addition, upon the occurrence of a Fundamental Change, holders may require us to repurchase all or a portion of their debentures, in cash or, at our election, common stock valued at 99% of its market price (as defined under "Description of the Debentures") or any combination of cash and common stock, at a repurchase price equal to 100% of the principal amount of the debentures plus accrued and unpaid interest to the redemption date. The debentures will mature on June 1, 2023 unless earlier redeemed or repurchased.

Investing in the debentures and our common stock involves risks. See "Risk Factors" beginning on page 6.

We will not receive any of the proceeds from the sale of the debentures or the common stock by the selling securityholders. The debentures and the common stock may be offered in negotiated transactions or otherwise, at market prices prevailing at the time of sale or at negotiated prices. In addition, the common stock may be offered from time to time through ordinary brokerage transactions on the New York Stock Exchange. Please read "Plan of Distribution."

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

The date of this prospectus is _____, 2003.

You should rely only on the information incorporated by reference or provided in this prospectus or any prospectus supplement. We have not authorized anyone else to provide you with different information. The selling securityholders are not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus or any prospectus supplement is accurate as of any date other than the date on its cover page or that any information we have incorporated by reference is accurate as of any date other than the date of the documents incorporated by reference.

TABLE OF CONTENTS

ABOUT THIS PROSPECTUS	ii
WHERE YOU CAN FIND MORE INFORMATION	ii
DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS	iii
SUMMARY	1
RISK FACTORS	6
USE OF PROCEEDS	11
RATIO OF EARNINGS TO FIXED CHARGES	11
PRICE RANGE OF COMMON STOCK AND DIVIDENDS DECLARED	11
DESCRIPTION OF THE DEBENTURES	12
DESCRIPTION OF COMMON STOCK	35
SELLING SECURITYHOLDERS	37
CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES	40
CERTAIN NETHERLANDS ANTILLES TAX CONSEQUENCES	44
PLAN OF DISTRIBUTION	45
LEGAL MATTERS	47
EXPERTS	47

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, or the SEC, utilizing a “shelf” registration process or continuous offering process. Under this shelf registration process, the selling securityholders may, from time to time, sell the securities described in this prospectus in one or more offerings. This prospectus provides you with a general description of the securities that may be offered by the selling securityholders. Each time a selling securityholder sells securities, the selling securityholder is required to provide you with this prospectus and, in certain cases, a prospectus supplement containing specific information about the selling securityholder and the terms of the securities being offered. Any prospectus supplement may add, update, or change information in this prospectus. If there is any inconsistency between the information in this prospectus and any prospectus supplement, you should rely on the information in that prospectus supplement. You should read both this prospectus and any prospectus supplement together with additional information described under “Where You Can Find More Information.”

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission, or SEC. Our SEC filings are available over the Internet at the SEC’s web site at <http://www.sec.gov>. You may also read and copy any document we file at the SEC’s public reference room at 450 Fifth Street N.W., Room 1024, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for more information on the public reference rooms and their copy charges. You may also inspect our SEC reports and other information at the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

This prospectus is part of a registration statement that we have filed with the SEC relating to the debentures and the underlying common stock into which the debentures may be converted. This prospectus does not contain all of the information we have included in the registration statement and the accompanying exhibits and schedules as permitted by the rules and regulations of the SEC, and we refer you to the omitted information. The statements this prospectus makes pertaining to the content of any contract, agreement or other document that is an exhibit to the registration statement are necessarily summaries of their material provisions, and we qualify them in their entirety by reference to those exhibits for complete statements of their provisions. The registration statement, exhibits and schedules are available at the SEC’s public reference room or through its website.

In this document, we “incorporate by reference” certain information we file with the SEC, which means that we disclose important information to you by referring to that information. The information incorporated by reference is considered to be a part of this prospectus, and later information filed with the SEC will update and supersede this information. We incorporate by reference the documents listed below that we have previously filed with the SEC and any future filings we make with the SEC pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act after the date of this prospectus and until this offering is completed (other than information in such documents that is deemed not to be filed):

- Our annual report on Form 10-K for the fiscal year ended December 31, 2002;
- Our quarterly reports on Form 10-Q for the fiscal quarters ended March 31, 2003 and June 30, 2003; and
- Our current reports on Form 8-K filed April 17, 2003, June 4, 2003, June 10, 2003 and September 12, 2003.

Any statement contained in a document incorporated or considered to be incorporated by reference in this prospectus shall be considered to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus or in any subsequently filed document that is or is considered to be incorporated by reference modifies or supersedes that statement. Any statement that is modified or superseded shall not, except as so modified or superseded, constitute a part of this prospectus.

You may request a copy of these filings at no cost, by writing or telephoning us at:

Schlumberger Limited
153 East 53rd Street, 57th Floor
New York, NY 10022-4624
(212) 350-9400
Attention: Investor Relations

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This document and the documents incorporated by reference in this prospectus contain both historical and forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"). Forward-looking statements include the information concerning our possible or assumed future results of operations, including statements identified as forward-looking statements in documents incorporated by reference in this prospectus and statements about the following subjects:

- business and market outlook;
- business strategies;
- operating efficiencies or synergies;
- growth opportunities;
- competitive position;
- economic recovery;
- expected capital expenditures;
- pricing;
- expected multi-tenant depreciation and amortization expenditures;
- the funding of pension plans and related pension expense;
- conditions in the oilfield service business, including activity levels during 2003;
- production increases in non-OPEC areas;
- issues affecting the seismic industry, including sales pertaining to Q technology;
- continued deepwater drilling activity;
- the realization of cost reduction and savings in SchlumbergerSema and expectations regarding the future business and performance of SchlumbergerSema;
- the likelihood of and benefits to be derived from divestitures;
- benefits from contract awards and performance of contracts;
- financing plans;
- expected results of operations and/or financial position;
- future effective tax rates;
- outcomes of legal proceedings;
- compliance with applicable laws; and
- adequacy of insurance.

Forward-looking statements are generally identifiable by use of the following words and other similar expressions, among others:

- "anticipate";
- "believe";
- "budget";
- "could";
- "estimate";
- "expect";
- "forecast";
- "intend";
- "may";
- "might";
- "plan";
- "predict";
- "project";
- "shall";
- "should"; and
- "will."

We have based our forward-looking statements on our management's beliefs and assumptions based on information available at the time the statements were made. We caution you that assumptions, beliefs,

expectations, intentions and projections about future events may and often do vary materially from actual results. Therefore, actual results may differ materially from those expressed or implied by our forward-looking statements.

Some of the factors that could cause actual results to differ from those expressed or implied by our forward-looking statements are described under “Risk Factors” in this prospectus and in the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business” sections of our Annual Report on Form 10-K for the fiscal year ended December 31, 2002, and in any subsequent SEC filings.

You should not place undue reliance on forward-looking statements. Each forward-looking statement speaks only as of the date of the particular statement, and we undertake no obligation to publicly update or revise any forward-looking statements.

SUMMARY

This summary contains a general summary of the information contained in this prospectus. The summary may not contain all of the information that is important to you, and it is qualified in its entirety by the more detailed information and the historical consolidated financial statements, including the notes to those financial statements, that are contained or incorporated by reference in this prospectus. You should carefully consider the information contained in and incorporated by reference in this prospectus, including the information set forth under the heading "Risk Factors."

The Offering

Issuer	Schlumberger Limited, a Netherlands Antilles corporation, is a global oilfield and information services company with major activity in the energy industry.
Debentures	<p>\$975,000,000 aggregate principal amount of 1.500% Series A Convertible Debentures due June 1, 2023.</p> <p>\$450,000,000 aggregate principal amount of 2.125% Series B Convertible Debentures due June 1, 2023.</p>
Interest	The Series A debentures bear interest at an annual rate of 1.500%, and the Series B debentures bear interest at an annual rate of 2.125%. Interest is payable on June 1 and December 1 of each year, commencing December 1, 2003.
Maturity	June 1, 2023.
Ranking	<p>The debentures are our senior, unsecured obligations and rank equal in right of payment with all of our other unsecured and unsubordinated indebtedness.</p> <p> Holders of our debentures have a junior position to the claims of creditors of our subsidiaries on their assets and earnings. As of June 30, 2003, the total balance sheet liabilities of our subsidiaries were approximately \$13.5 billion, excluding liabilities to affiliated companies.</p>
Conversion Rights	<p>Holders of the debentures have the right to convert all or some of their debentures, unless previously redeemed or repurchased at any time prior to maturity, into our common stock. See "Description of the Debentures—Conversion Rights." Each \$1,000 principal amount of debentures may be converted into common stock at the conversion rate of:</p> <ul style="list-style-type: none">• 13.8255 shares per Series A debenture, which is equal to an initial conversion price of approximately \$72.33 per share, and

- 12.500 shares per Series B debenture, which is equal to an initial conversion price of approximately \$80.00 per share.

Each conversion rate may be adjusted for certain events, but it will not be adjusted for accrued interest. The right to convert debentures that have been called for redemption will terminate at the close of business on the business day immediately preceding the date of redemption.

Optional Redemption

On or after June 6, 2008, we may redeem for cash all or part of the Series A debentures at any time, upon not less than 20 nor more than 60 days' prior notice by mail to holders of such debentures, for a price equal to 100% of the principal amount of the Series A debentures, plus accrued and unpaid interest to, but not including, such redemption date.

On or after June 6, 2010, we may redeem for cash all or part of the Series B debentures at any time, upon not less than 20 nor more than 60 days' prior notice by mail to holders of such debentures, for a price equal to 100% of the principal amount of the Series B debentures, plus accrued and unpaid interest to, but not including, such redemption date.

Repurchase Rights

You have the right to require us to repurchase the Series A debentures on June 1, 2008, June 1, 2013, and June 1, 2018, each of which we refer to as a "Series A repurchase date."

You have the right to require us to repurchase the Series B debentures on June 1, 2010, June 1, 2013, and June 1, 2018, each of which we refer to as a "Series B repurchase date." We refer to each of the Series A repurchase dates and each of the Series B repurchase dates as a "repurchase date."

In each case, the repurchase price payable will be equal to 100% of the principal amount of the debentures plus accrued and unpaid interest up to, but not including, such repurchase date. The repurchase price for repurchases on June 1, 2008, in the case of the Series A debentures, and June 1, 2010, in the case of the Series B debentures, will be paid in cash. On the other repurchase dates, we may choose to pay the repurchase price in cash or shares of our common stock or a combination of cash and shares of our common stock. If we elect to pay the repurchase price in shares of our common stock or a combination of cash and common stock, we must notify holders not less than 20 business days prior to the repurchase date. The common stock will be valued at the average closing sale price of our common stock for the ten trading days ending on the third business day prior to the repurchase date.

Fundamental Change

If we undergo a Fundamental Change, as described herein, you will have the option to require us to repurchase all of your debentures not previously called for redemption or any portion thereof. We may choose to pay the repurchase price in cash or, at our option, shares of our common stock or a combination of cash and shares of our common stock. If we elect to pay the repurchase price in shares of our common stock or a combination of cash and common stock, the common stock will be valued at 99% of the average closing sale price of our common stock for the ten trading days ending on the third business day prior to the repurchase date. We will pay a repurchase price equal to 100% of the principal amount of the debentures plus accrued and unpaid interest up to, but not including, the repurchase date.

Redemption Upon Changes in Withholding Taxes

We may redeem all, but not less than all, of the debentures under certain circumstances if there is a change or an amendment in the laws or regulations of the Netherlands Antilles or any political subdivisions or taxing authorities thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations and, as a result of such change, we became or will become obligated to pay additional amounts with respect to the debentures because of deductions or withholding for taxes described in "Description of the Debentures—Additional Amounts." We will pay a redemption price equal to 100% of the principal amount of the debentures plus accrued and unpaid interest to, but excluding, the redemption date, plus any additional amounts.

Notwithstanding the foregoing, if we have given notice of a tax redemption as described above, each holder of debentures will have the right to elect that such holder's debentures will not be subject to such tax redemption. If a holder elects not to be subject to a tax redemption, we will not be required to pay additional amounts (as described in "Description of the Debentures—Additional Amounts") with respect to payments made on that holder's debentures following the redemption date fixed by us, and all subsequent payments on such holder's debentures will be subject to any tax required to be withheld or deducted under Netherlands Antilles law. Holders must elect their option to avoid a tax redemption by written notice to the trustee no later than the 15th day prior to the redemption date fixed by us.

Additional Amounts

All payments that we are required to make under or in respect of the debentures will be paid without withholding or deductions for or on account of any present or future taxes, duties, assessments or governmental charges imposed by the Netherlands Antilles or any political subdivisions or taxing authorities thereof or therein having power to tax, unless such withholding or deduction is required by law. In the event we are required to withhold or deduct on account of any such taxes from any payment made under or with respect to the debentures, we will pay such additional amounts so that the net

amount received by each holder of debentures, including those additional tax amounts, will equal the amount that such holder would have received if such taxes had not been required to be withheld or deducted. Our obligation to pay such additional amounts is subject to certain customary limitations, which are described in “Description of the Debentures—Additional Amounts.”

Certain Covenants

The indenture, among other things, restricts our ability and the ability of our restricted subsidiaries to:

- incur indebtedness secured by liens on our restricted properties; and
- enter into sale and leaseback transactions with respect to our restricted properties.

Events of Default

If there is an event of default with respect to the debentures, an amount equal to the principal amount of the debentures plus accrued and unpaid interest may be declared immediately due and payable. These amounts automatically become due and payable in some circumstances.

The following are events of default with respect to the debentures:

- our failure to pay any interest on the debentures within 30 days after it becomes due and payable;
- our failure to pay principal on the debentures and any accrued interest at maturity, upon redemption, repurchase or following a Fundamental Change, when the same becomes due and payable;
- we or any of our significant subsidiaries (as defined in Rule 1-02(w) of Regulation S-X promulgated by the SEC) default under any other instruments of indebtedness, including indebtedness the payment of which is guaranteed by us or any of our significant subsidiaries, with an outstanding principal amount of \$125 million or more which has caused the holders of such indebtedness to declare such indebtedness due and payable prior to its stated maturity unless rescinded within 30 days;
- we or any of our significant subsidiaries default in the payment of principal or premium at final maturity under any other instruments of indebtedness, including indebtedness the payment of which is guaranteed by us or any of our significant subsidiaries, which default is in an aggregate principal amount exceeding \$125 million and continues unremedied and unwaived for more than 30 business days;
- our failure to give notice of the right to require us to repurchase debentures following the occurrence of a Fundamental Change within the time required to give such notice, and such failure continues for 30 days;

- our failure to comply with any of our covenants or agreements in the debentures or the indenture for 60 days after written notice by the trustee or by the holders of at least 25% in aggregate principal amount of all the debentures then outstanding (or, in the case of a failure to comply with one of the covenants listed under “Description of the Debentures—Certain Covenants,” of all debt securities issued under the indenture then outstanding affected by that failure); and
- certain events involving the bankruptcy, insolvency or reorganization of us or any of our significant subsidiaries.

Use of Proceeds

We will not receive any proceeds from the sale by the selling securityholders of the debentures or the common stock issuable upon conversion of the debentures. See “Use of Proceeds.”

Book-Entry Form

The debentures, which were originally issued in book-entry form, are represented by permanent global securities deposited with a custodian for and registered in the name of a nominee of The Depository Trust Company, commonly known as DTC, in New York, New York. Beneficial interests in any of the debentures are shown on, and transfers effected only through, records maintained by DTC and its direct and indirect participants, and any such interest may not be exchanged for certificated debentures, except in limited circumstances.

Trading

The debentures are not be listed on any securities exchange or included in any automated quotation system. Our common stock is traded on the New York Stock Exchange under the symbol “SLB.”

RISK FACTORS

You should carefully consider the risks described below before making an investment decision. The risks and uncertainties described below are not the only ones related to our business, the debentures, the common stock issuable upon conversion of the debentures and the offering. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations.

If any of the following risks actually occurs, our business, financial condition or results of operations could be materially adversely affected. In that case, the trading price of the debentures and our common stock could decline substantially.

Risk Factors Related to the Debentures and the Offering

An active trading market for the debentures may not develop, and there are restrictions on resale of the debentures and the common stock issued upon conversion of the debentures.

The debentures are new issues of securities for which there is currently no public market. We do not plan to list the debentures on any securities exchange or to include them in any automated quotation system. We cannot assure you that an active trading market for the debentures will develop or as to the liquidity or sustainability of any such market, your ability to sell the debentures or the price at which you will be able to sell debentures. Future trading prices of the debentures will depend on many factors, including, among other things, prevailing interest rates, our operating results, the market for similar securities, the price of our common stock and other factors.

If you are able to resell your debentures or the common stock issued on conversion of the debentures, many factors may affect the price you receive, which may be lower than you believe to be appropriate.

The market price of our debentures may be significantly affected by the market price of our common stock. This may result in greater volatility in the market price of the debentures than would be expected for nonconvertible debt securities.

Some of the factors that may influence the market price of the debentures or our common stock include the following, many of which are not within our control:

- the level of liquidity of the debentures;
- any downgrade, suspension or modification of our credit ratings;
- changes in financial estimates and recommendations by financial analysts;
- fluctuations in our operating and financial performance;
- the amount of indebtedness we have outstanding;
- the level, direction and volatility of market interest rates generally;
- arbitrage based on fluctuations in interests rates and the relative value of our common stock;
- fluctuations in the stock price and operating results of our competitors;
- sales of common stock by us in the market after the offering of the debentures or the perception that such sales may occur;
- dispositions, acquisitions and financings; and
- general conditions in the economy and in the industries in which we operate.

In addition, the stock markets in general, including the New York Stock Exchange, recently have experienced significant price and trading fluctuations. These fluctuations have resulted in volatility in the market prices of securities that often has been unrelated or disproportionate to changes in operating performance. The broad market fluctuations may affect adversely the market prices of our debentures and our common stock.

We may not have sufficient funds necessary to purchase the debentures upon the occurrence of a Fundamental Change or on other repurchase dates as required by the indenture.

On June 1, 2008, June 1, 2013 and June 1, 2018, holders of the Series A debentures may require us to repurchase their debentures for cash. On June 1, 2010, June 1, 2013 and June 1, 2018, holders of the Series B debentures may require us to repurchase their debentures for cash. In addition, holders of debentures also may require us to repurchase their debentures upon the occurrence of a Fundamental Change as described under "Description of the Debentures—Fundamental Change." A fundamental change could also constitute an event of default and result in the acceleration of the maturity of our then existing indebtedness, under another indenture or other agreement. We may not have sufficient financial resources or may not be able to arrange financing to pay the repurchase price for the debentures tendered by the holders. Our failure to repurchase the debentures when required will result in an event of default with respect to the debentures.

The debentures are effectively subordinated to existing and future indebtedness and other liabilities of our subsidiaries.

We derive substantially all our operating income from, and hold substantially all our assets through, our subsidiaries. As a result, we depend on distributions and advances from our subsidiaries in order to meet our payment obligations under any debt securities, including the debentures and our other obligations. In general, these subsidiaries are separate and distinct legal entities and have no obligation to pay any amounts due on our debt securities or to provide us with funds for our payment obligations, whether by dividends, distributions, loans or otherwise. Our subsidiaries' ability to make any payments depends on their earnings, the terms of their indebtedness, business and tax considerations and legal restrictions.

The debentures effectively rank junior to all existing and future indebtedness, including trade payables, of our subsidiaries. In the event of a bankruptcy, liquidation or dissolution of a subsidiary, the creditors of such subsidiary will be paid first, after which the subsidiary may not have sufficient assets remaining to make any payments to us as a shareholder or otherwise so that we can meet our obligations under the debentures. As of June 30, 2003, the total balance sheet liabilities of our subsidiaries were approximately \$13.5 billion, excluding liabilities to affiliated companies.

If you hold debentures, you are not be entitled to any rights with respect to our common stock, but you are subject to all changes made with respect to our common stock.

If you hold debentures, you are not entitled to any rights with respect to our common stock (including, without limitation, voting rights and rights to receive dividends or other distributions on our common stock), but you are subject to all changes affecting the common stock. You will only be entitled to rights on the common stock if and when we deliver shares of common stock to you in exchange for your debentures. For example, in the event that an amendment is proposed to our deed of incorporation or by-laws requiring stockholder approval and the record date for determining the stockholders of record entitled to vote on the amendment occurs prior to delivery of the common stock, you will not be entitled to vote on the amendment, although you will nevertheless be subject to any changes in the powers, preferences or special rights of our common stock.

Changes in our credit rating or the credit or equity markets could adversely affect the price of the debentures.

The market price for the debentures is based on a number of factors, including our rating with major credit rating agencies, the market for our common stock, the prevailing interest rates being paid by other companies similar to us and the overall conditions of the financial markets. The conditions of the credit and equity markets

and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Fluctuations in these factors could have an adverse effect on the price of the debentures.

In addition, credit rating agencies continually revise their ratings for the companies that they follow, including us. We cannot be sure that credit rating agencies will maintain their ratings on the debentures. Currently, Standard & Poor's have reported a negative outlook in our long-term debt rating. These ratings, which apply to the debentures, affect our ability to raise debt and the cost of such debt to us. A negative change in our rating could have an adverse effect on the price of the debentures.

Risks Relating to Our Business

Demand for the majority of our oilfield services is substantially dependent on the level of expenditures by the oil and gas industry. A substantial or an extended decline in demand for oil and gas or in oil or gas prices could result in lower expenditures by the oil and gas industry and reduce our revenue.

Demand for the majority of our oilfield services is substantially dependent on the level of expenditures by the oil and gas industry for the exploration, development and production of crude oil and natural gas reserves. Exploration, development and production activity is sensitive to demand for oil and gas and to oil and gas prices and is generally dependent on the industry's view of future demand and prices. Oil and gas prices have historically been volatile and are affected by numerous factors, including:

- worldwide demand for energy, which is affected by worldwide population growth and economic conditions;
- the ability of the Organization of Petroleum Exporting Countries to set and maintain production levels for oil;
- the level of worldwide oil exploration and production activity;
- the cost of exploring for, producing and delivering oil and gas; and
- technological advances affecting energy consumption.

Demand for our information technology solutions is dependent on industry and general economic conditions and other factors.

Demand for our information technology solutions is substantially dependent on general economic conditions, market conditions in related industries, such as telecommunications, the economic cycle, information technology spending and the rate of technological change. In addition, competition from other providers can affect the pricing we can realize on our information technology solutions.

We may not be able to divest businesses on acceptable terms; divestitures may result in losses or charges.

We own a number of businesses that we have announced are candidates for divestiture, and we may divest other businesses in the future. We anticipate that the proceeds from divestitures would be used to reduce debt. We may not be able to divest businesses on favorable terms, if at all. If the proceeds from a divestiture are less than the carrying value of the divested business, we will incur a loss. Divestitures may also result in other charges. If we are delayed or prevented from completing divestitures, our credit ratings could be adversely affected.

If we are unable to integrate new technologies and industry standards effectively in our businesses, our revenue, profits and cash flows may decrease.

We must continue to improve the responsiveness, functionality and features of our information technology solutions in accordance with industry standards and to address the increasingly sophisticated technological needs of our clients. Our ability to do this depends, in part, on our ability to adapt our solutions to developing technologies, maintain relationships with suppliers and continue to use best-in-class technologies. We may not be successful in responding to technological and industry challenges in a timely and cost-effective manner. If we are unable to integrate new technologies and industry standards effectively, our revenue, profits and cash flows may decrease.

Environmental compliance costs and liabilities could reduce our earnings and cash available for operations.

We are subject to increasingly stringent laws and regulations relating to environmental protection, including laws and regulations governing air emissions, water discharges and waste management. We incur, and expect to continue to incur, capital and operating costs to comply with environmental laws and regulations. The technical requirements of environmental laws and regulations are becoming increasingly expensive, complex and stringent. These laws may provide for "strict liability" for damages to natural resources or threats to public health and safety. Strict liability can render a party liable for environmental damage without regard to negligence or fault on the part of the party. Some environmental laws provide for joint and several strict liability for remediation of spills and releases of hazardous substances.

We use and generate hazardous substances and wastes in our operations. In addition, many of our current and former properties are or have been used for industrial purposes. Accordingly, we could become subject to potentially material liabilities relating to the investigation and cleanup of contaminated properties, and to claims alleging personal injury or property damage as the result of exposures to, or releases of, hazardous substances. In addition, stricter enforcement of existing laws and regulations, new laws and regulations, the discovery of previously unknown contamination or the imposition of new or increased requirements could require us to incur costs or become the basis of new or increased liabilities that could reduce our earnings and our cash available for operations.

We could be subject to substantial liability claims, which would adversely affect our results and financial condition.

Many of our oilfield services and products are delivered or used in hostile environments. An accident or a failure can cause personal injury, loss of life, damage to property, equipment or the environment, and suspension of operations. Our insurance may not adequately protect us against liability for some kinds of events, including events involving pollution, or against losses resulting from business interruption. Moreover, in the future we may not be able to maintain insurance at levels of risk coverage or policy limits that we deem adequate. Substantial claims made under our policies could cause our premiums to increase. Any future damages caused by our services or products that are not covered by insurance, or are in excess of policy limits or are subject to substantial deductibles, would reduce our earnings and our cash available for operations.

Limitations on our ability to protect our intellectual property rights, including our trade secrets, could cause a loss in revenue and any competitive advantage we hold.

Some of our products or services, and the processes we use to produce or provide them, have been granted U.S. patent protection, have patent applications pending or are trade secrets. Our business may be adversely affected if our patents are unenforceable, the claims allowed under our patents are not sufficient to protect our technology, our patent applications are denied, or our trade secrets are not adequately protected. Our competitors may be able to develop technology independently that is similar to ours without infringing on our patents or gaining access to our trade secrets.

We may be subject to litigation if another party claims that we have infringed upon its intellectual property rights.

The tools, techniques, methodologies, programs and components we use to provide our services or products may infringe upon the intellectual property rights of others. Infringement claims generally result in significant legal and other costs and may distract management from running our core business.

We may enter into license agreements with respect to intellectual property. Royalty payments under licenses from third parties would increase our costs. If a license were not available we might not be able to continue providing a particular product or service, which would reduce our revenue. Additionally, developing non-infringing technologies would increase our costs.

USE OF PROCEEDS

We will not receive any proceeds from the sale by the selling securityholders of the debentures or the common stock issuable upon the conversion of the debentures.

RATIO OF EARNINGS TO FIXED CHARGES

The table below sets forth the ratio of earnings to fixed charges of Schlumberger Limited and its consolidated subsidiaries on a historical basis for each of the periods presented:

Six Months Ended June 30, 2003	Fiscal Year Ended December 31,				
	2002	2001	2000	1999	1998
2.6x	—	3.1x	3.5x	2.6x	4.6x

For the purpose of computing this ratio, earnings represent pre-tax income (loss) from continuing operations before adjustment for minority interests or income from equity investees, plus fixed charges, adjusted to exclude capitalized interest. Fixed charges represent interest expense including capitalized interest, that portion of rental expense that approximates interest and amortization of premiums, discounts and capitalized expenses related to long-term debt.

Due to a loss in 2002, our ratio of earnings to fixed charges was less than 1:1. We would have needed to generate additional earnings of \$2.23 billion in 2002 to achieve a ratio of earnings to fixed charges of 1:1.

PRICE RANGE OF COMMON STOCK AND DIVIDENDS DECLARED

Our common stock is listed on the New York Stock Exchange under the symbol "SLB." The following table sets forth for the periods presented the high and low sales prices of our common stock as reported by the NYSE (composite transactions), together with the dividends declared per share for such periods:

	Fiscal 2003	High	Low	Dividends Declared
Third Quarter (through September 9, 2003)		\$ 49.79	\$ 44.50	\$ 0.1875
Second Quarter		50.15	36.08	0.1875
First Quarter		43.33	35.62	0.1875
	Fiscal 2002			
First Quarter		\$ 62.43	\$ 49.15	\$ 0.1875
Second Quarter		59.89	46.30	0.1875
Third Quarter		47.40	35.87	0.1875
Fourth Quarter		46.85	33.40	0.1875
	Fiscal 2001			
First Quarter		\$ 82.81	\$ 57.30	\$ 0.1875
Second Quarter		69.25	51.15	0.1875
Third Quarter		56.90	40.84	0.1875
Fourth Quarter		56.75	42.05	0.1875

As of September 9, 2003, there were approximately 26,480 record holders of our common stock. The closing price of our common stock was \$48.96 on that date.

There are no legal restrictions on the payment of dividends or ownership or voting of our common stock, except as to treasury shares.

DESCRIPTION OF THE DEBENTURES

The debentures are debt securities issued under an indenture dated as of June 9, 2003, as supplemented by a first supplemental indenture dated as of June 9, 2003 (the indenture, as supplemented, is referred to in this prospectus as the “indenture”), between us and Citibank, N.A., as trustee (the “trustee”). The following summary of certain provisions of the indenture and the debentures does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the provisions of the indenture, including the definitions of certain terms and those terms made a part of the indenture by reference to the Trust Indenture Act of 1939. We urge you to read the indenture because the indenture, and not this description, defines your rights as a holder of the debentures. A copy of the form of indenture and the form of certificate evidencing the debentures is available to you upon request to Schlumberger Limited.

The indenture does not limit the amount of debt that may be issued by us under the indenture. We may issue debt securities from time to time under the indenture in separate series (each, a “series”), each up to the aggregate principal amount authorized by us for such series.

Capitalized terms used but not defined in the following have the respective meanings specified in the indenture. Certain of these terms are also defined below. See “—Glossary.”

In this section, references to “Schlumberger,” “we,” “our” or “us” refer solely to Schlumberger Limited and not its subsidiaries.

General

The Series A debentures are limited to an aggregate principal amount of \$975,000,000. The Series B debentures are limited to an aggregate principal amount of \$450,000,000. The debentures will mature on June 1, 2023.

The debentures were initially offered at a price to investors of \$1,000 per debenture. The Series A debentures accrue interest at a rate of 1.500% per annum, and the Series B debentures accrue interest at a rate of 2.125% per annum, in each case from June 9, 2003, or from the most recent interest payment date to which interest has been paid or duly provided for, and accrued and unpaid interest will be payable semi-annually in arrears on June 1 and December 1 of each year, beginning December 1, 2003. Interest will be paid to the person in whose name a debenture is registered at the close of business on the May 15 or November 15, which we refer to as the “record dates,” immediately preceding the relevant interest payment date. However, in the case of a debenture or portion of a debenture called for redemption during the period from a record date to the next succeeding interest payment date, accrued interest as of the redemption date will be payable to the holder of the debenture or portion of a debenture redeemed. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months.

If any interest payment date, maturity date, redemption date or repurchase date of a debenture falls on a day that is not a business day, the required payment of principal and interest will be made on the next succeeding business day as if made on the date that the payment was due and no interest will accrue on that payment for the period from and after the interest payment date, maturity date, redemption date or repurchase date, as the case may be, to the date of that payment on the next succeeding business day. The term “business day” means, with respect to any debenture, any day other than a Saturday, a Sunday or a day on which banking institutions in The City of New York are authorized or required by law, regulation or executive order to close.

We must repay the debentures at their stated maturity on June 1, 2023, unless earlier redeemed. The circumstances in which we may, or in which we are required to, redeem the debentures prior to their stated maturity are described below.

Ranking

The debentures are our senior, unsecured obligations and rank equal in right of payment with all of our existing and future unsecured and unsubordinated indebtedness.

We currently conduct substantially all our operations through our subsidiaries, and our subsidiaries generate substantially all of our operating income and cash flow. As a result, distributions and advances from our subsidiaries are the principal source of funds necessary to meet our debt service obligations. Contractual provisions or laws, as well as our subsidiaries' financial condition and operating and regulatory requirements, may limit our ability to obtain cash from our subsidiaries that we require to pay our debt service obligations, including cash payments on the debentures.

The debentures effectively rank junior to all existing and future liabilities, including trade payables, of our subsidiaries. In the event of a bankruptcy, liquidation or dissolution of a subsidiary, the creditors of such subsidiary will be paid first, after which the subsidiary may not have sufficient assets remaining to make any payments to us as a shareholder or otherwise so that we can meet our obligations under the debentures.

As of June 30, 2003, the total balance sheet liabilities of our subsidiaries were approximately \$13.5 billion, excluding liabilities to affiliated companies.

Optional Redemption

We have the right to redeem the Series A debentures in whole or in part, at any time or from time to time, on or after June 6, 2008 upon not less than 20 nor more than 60 days' prior notice by mail, for a cash price equal to 100% of the principal amount of the Series A debentures to be redeemed plus accrued and unpaid interest up to, but not including, the redemption date.

We have the right to redeem the Series B debentures in whole or in part, at any time or from time to time, on or after June 6, 2010 upon not less than 20 nor more than 60 days' prior notice by mail, for a cash price equal to 100% of the principal amount of the Series B debentures plus accrued and unpaid interest up to, but not including, the redemption date.

If we decide to redeem fewer than all of the outstanding debentures of a series, the trustee will select the debentures to be redeemed by lot, on a pro rata basis or by another method the trustee considers appropriate.

If the trustee selects a portion of your debenture for partial redemption and you convert a portion of the same debenture, the converted portion will be deemed to be from the portion selected for redemption.

In the event of any redemption in part, we will not be required to:

- issue, register the transfer of or exchange any debenture during a period beginning at the opening of business 15 days before any selection of debentures for redemption and ending at the close of business on the earliest date on which the relevant notice of redemption is deemed to have been given to all holders of debentures to be so redeemed, or
- register the transfer of or exchange any debenture so selected for redemption, in whole or in part, except the unredeemed portion of any debenture being redeemed in part.

Conversion Rights

Holders may convert their debentures into shares of our common stock initially at a conversion rate of:

- 13.8255 shares of common stock per \$1,000 principal amount of Series A debentures (equivalent to an initial conversion price of \$72.33 per share); and

- 12,500 shares of common stock per \$1,000 principal amount of Series B debentures (equivalent to an initial conversion price of \$80.00 per share)

at any time before the close of business on the last trading day on the New York Stock Exchange prior to the maturity date of the debentures, subject to prior redemption or repurchase. The conversion rate and the equivalent conversion price in effect at any given time are referred to in this prospectus as the “conversion rate” and the “conversion price,” respectively, and are subject to adjustment as described below. If a debenture has been called for redemption, holders will be entitled to convert such debenture until the close of business on the business day immediately preceding the date of redemption. A holder may convert fewer than all of such holder’s debentures so long as the debentures converted are an integral multiple of \$1,000 principal amount.

A holder will not receive any payment for accrued interest upon conversion of a debenture. Upon conversion we will deliver to the holders a fixed number of shares of our common stock and any cash payment to account for fractional shares. We will not adjust the conversion rate to account for accrued interest. The cash payment for fractional shares will be based on the closing sale price of our common stock on the trading day immediately prior to the conversion date. Delivery of common stock will be deemed to satisfy our obligation to pay the principal amount of the debentures. Accrued interest will be deemed canceled, extinguished or forfeited.

If you wish to exercise your conversion right, you must deliver an irrevocable conversion notice, together, if the debentures are in certificated form, with the certificated security (the date of such delivery of notice, the “conversion date”), to the conversion agent who will, on your behalf, convert the debentures into shares of our common stock. You may obtain copies of the required form of the conversion notice from the conversion agent.

The conversion of the debentures into shares of our common stock generally will not be a taxable event, except to the extent a holder receives cash in lieu of fractional shares. For a more detailed discussion, see “Certain United States Federal Income Tax Consequences.”

Conversion Rate Adjustments

The conversion rate is subject to adjustment upon the following events:

- the payment of dividends and other distributions on our common stock payable exclusively in shares of our common stock;
- the issuance to all or substantially all holders of our common stock of rights or warrants that allow the holders to purchase shares of our common stock for a period expiring within 60 days from the date of issuance of the rights or warrants at less (or having a conversion price per share less) than the current market price; provided that no adjustment will be made if holders of the debentures may participate in the transaction on a basis and with notice that our board of directors determines to be fair and appropriate or in some other cases;
- subdivisions or combinations of our common stock;
- the payment of dividends and other distributions to all holders of our common stock consisting of our debt, securities or assets or certain rights to purchase our securities, except for those rights or warrants referred to in the second bullet point above and dividends and other distributions paid exclusively in cash, provided that no adjustment will be made if all holders of the debentures may participate in the transactions;
- the payment to holders of our common stock in respect of a tender or exchange offer, other than an odd-lot offer, by us or any of our subsidiaries for our common stock to the extent that the offer involves aggregate consideration that, together with (1) any cash and the fair market value of any other consideration payable in respect of any tender offer (other than consideration payable in respect of any odd-lot tender offer) by us or any of our subsidiaries for shares of our common stock consummated

within the preceding 12 months not triggering a conversion price adjustment and (2) all-cash distributions to all or substantially all holders of our common stock made within the preceding 12 months not triggering a conversion price adjustment, exceeds an amount equal to 12.5% of the market capitalization of our common stock on the expiration date of the tender offer; and

- the distribution to all or substantially all holders of our common stock of all-cash distributions in an aggregate amount that, together with (1) any cash and the fair market value of any other consideration payable in respect of any tender offer (other than consideration payable in respect of any odd-lot tender offer) by us or any of our subsidiaries for shares of our common stock consummated within the preceding 12 months not triggering a conversion price adjustment and (2) all other all-cash distributions to all or substantially all holders of our common stock made within the preceding 12 months not triggering a conversion price adjustment, exceeds an amount equal to 12.5% of the market capitalization of our common stock on the business day immediately preceding the day on which we declare the distribution.

For purposes of the foregoing, the market capitalization of our common stock as of any date of calculation means the closing sale price of our common stock on the New York Stock Exchange (or the principal U.S. securities exchange or market on which the common stock is then listed or quoted) on the trading day immediately prior to such date of calculation multiplied by the aggregate number of shares of our common stock outstanding on the trading day immediately prior to such date of calculation.

In the event that we elect to make a distribution described in the fourth bullet point above in which we distribute shares of capital stock of a subsidiary of ours, the conversion rate will be adjusted, if at all, based on the market value of the subsidiary stock so distributed relative to the market value of our common stock, in each case over a measurement period following the distribution.

If we were to adopt a stockholders rights plan under which we issue rights providing that each share of our common stock issued upon conversion of the debentures at any time prior to the distribution of separate certificates representing the rights will be entitled to receive the right, there will not be any adjustment to the conversion rate as a result of:

- the issuance of rights;
- the distribution of separate certificates representing rights;
- the exercise or redemption of rights in accordance with any rights agreement; or
- the termination or invalidation of rights.

The applicable conversion rate will not be adjusted upon certain events, including but not limited to:

- upon the issuance of any shares of our common stock pursuant to any present or future plan providing for the reinvestment of dividends or interest payable on our securities and the investment of additional optional amounts in shares of our common stock under any plan;
- upon the issuance of any shares of common stock or options or rights to purchase those shares pursuant to any present or future employee, director or consultant benefit plan or program of or assumed by us or any of our subsidiaries;
- upon any change in the par value of the common stock; or
- upon the issuance of any shares of common stock pursuant to any option, warrant, right, or exercisable, exchangeable or convertible security outstanding as of the date the debentures were first issued.

If we are a party to a consolidation, amalgamation, merger or other transaction pursuant to which our common stock is converted into cash, securities or other property, then at the effective time of the transaction, the

right to convert a debenture into shares of our common stock will be changed into a right to convert it into the kind and amount of cash, securities or other property to which the holder would have received if the holder had converted its debenture immediately prior to the transaction. If the transaction also constitutes a Fundamental Change (as described below), a holder can require us to purchase all or a portion of its debentures as described under “—Fundamental Change.”

We may increase the conversion rate as our board of directors deems advisable to avoid or diminish any income tax to holders of shares of our common stock resulting from any dividend or distribution of capital stock (or rights to acquire capital stock) or from any event treated as such for income tax purposes. We may also, from time to time, increase the conversion rate as permitted by law for at least 20 days, so long as the increase is irrevocable during the period. No adjustment in the applicable conversion rate will be required unless the adjustment would require an increase or decrease of at least 1% of the applicable conversion rate. If the adjustment is not made because the adjustment does not change the applicable conversion rate by more than 1%, then the adjustment that is not made will be carried forward and taken into account in any future adjustment. Except as specifically described above, the applicable conversion rate is not subject to adjustment in the case of the issuance of any common stock, or securities convertible into or exchangeable for common stock.

If a holder submits its debenture for conversion between a record date and the opening of business on the next interest payment date (except for debentures or portions of debentures called for redemption on a redemption date occurring during the period from the close of business on a record date and ending on the opening of business on the first business day after the next interest payment date, or if the next interest payment date is not a business day, the second business day after the interest payment date), such holder must pay funds equal to the interest payable on the converted principal amount.

Repurchase Rights

Holders of Series A debentures have the right to require us to repurchase the Series A debentures on June 1, 2008, June 1, 2013 and June 1, 2018, each of which we refer to as a “Series A repurchase date.” Holders of Series B debentures have the right to require us to repurchase the Series B debentures on June 1, 2010, June 1, 2013 and June 1, 2018, each of which we refer to as a “Series B repurchase date.” We refer to each of the Series A repurchase dates and the Series B repurchase dates as a “repurchase date.”

We are required to repurchase any outstanding debentures for which you deliver a written repurchase notice to the paying agent. This notice must be delivered during the period beginning at any time from the opening of business on the date that is 20 business days prior to the relevant repurchase date until the close of business on the fifth business day prior to the repurchase date. If the repurchase notice is given and withdrawn during the period, we are not obligated to repurchase the related debentures. Our repurchase obligation is subject to some additional conditions described in the indenture. Also, our ability to satisfy our repurchase obligations may be affected by the factors described in “Risk Factors” under the caption “We may not have sufficient funds necessary to purchase the debentures upon the occurrence of a Fundamental Change or on other repurchase dates as required by the indenture.”

The repurchase price payable will be equal to 100% of the principal amount of the debentures to be repurchased plus accrued and unpaid interest, if any, to, but not including, such repurchase date.

The repurchase price for repurchases of Series A debentures on June 1, 2008 and the repurchase price for repurchases of Series B debentures on June 1, 2010 will be paid in cash. On the other repurchase dates, we may choose to pay the repurchase price in cash or shares of our common stock or any combination of cash and shares of our common stock. For a discussion of the tax treatment of a holder receiving cash, common stock or any combination thereof, see “Certain United States Federal Income Tax Consequences.”

We will be required to give notice on a date not less than 20 business days prior to each repurchase date to all holders of the applicable series of debentures at their addresses shown in the register of the registrar, and to beneficial owners as required by applicable law stating, among other things:

- for any repurchase date other than June 1, 2008 or June 1, 2010, as the case may be, whether we will pay the repurchase price of the debentures in cash or in shares of our common stock or any combination thereof, specifying the percentages of each;
- if we elect to pay with shares of our common stock or a combination of cash and shares of our common stock for any repurchase date other than June 1, 2008 or June 1, 2010, as the case may be, a description of the method of calculating the market price of our common stock; and
- the procedures that holders must follow to require us to repurchase their debentures.

If we pay with shares of our common stock, the shares of common stock will be valued at 99% of the market price of our common stock, as described below.

Simultaneously with such notice of repurchase, we will disseminate a press release through Dow Jones & Company, Inc. or Bloomberg Business News containing this information or publish the information on our website or through such other broad public medium as we may use at that time.

A holder's notice electing to require us to repurchase such holder's debentures must state:

- if certificated debentures have been issued, the certificate numbers, or if not certificated, your notice must comply with appropriate DTC procedures;
- the portion of the principal amount of debentures to be repurchased, in integral multiples of \$1,000;
- that the debentures are to be repurchased by us pursuant to the applicable provisions of the debentures; and
- in the event we elect, pursuant to the notice that we are required to give, to pay the repurchase price in shares of our common stock, in whole or in part, but the repurchase price is ultimately to be paid to the holder entirely in cash because any of the conditions to payment of the repurchase price or portion of the repurchase price in shares of our common stock is not satisfied prior to the close of business on the last day prior to the repurchase date, as described below, whether the holder elects:
 - (1) to withdraw the repurchase notice as to some or all of the debentures to which it relates, or
 - (2) to receive cash in respect of the entire repurchase price for all debentures or portions of debentures subject to the repurchase notice.

If the holder fails to indicate the holder's choice with respect to the election described in the final bullet point above, the holder will be deemed to have elected to receive cash in respect of the entire repurchase price for all debentures subject to the repurchase notice in these circumstances. Such a holder would be deemed to have disposed of the debentures for cash. For a discussion of the tax consequences of such a disposition, see "Certain United States Federal Income Tax Consequences."

You may withdraw any repurchase notice in whole or in part by a written notice of withdrawal delivered to the paying agent prior to the close of business on the fifth business day prior to the repurchase date. The notice of withdrawal must state:

- the principal amount of the withdrawn debentures;
- if certificated debentures have been issued, the certificate numbers of the withdrawn debentures, or if not certificated, your notice must comply with appropriate DTC procedures; and
- the principal amount, if any, which remains subject to the repurchase notice.

If we elect to pay the repurchase price, in whole or in part, in shares of our common stock, the number of shares of common stock to be delivered by us will be equal to the portion of the repurchase price to be paid in shares of our common stock divided by the market price of one share of our common stock. We will pay cash based on the market price for all fractional shares.

The “market price” means the average of the closing sale prices of our common stock on the New York Stock Exchange (or the principal U.S. securities exchange or market on which the common stock is then listed or quoted) for the ten trading day period ending on the third business day prior to the applicable repurchase date (if the third business day prior to the applicable repurchase date is a trading day, or if not, then on the last trading day prior to the third business day), appropriately adjusted to take into account the occurrence, during the period commencing on the first of the trading days during the ten trading day period and ending on the repurchase date, of some events that would result in an adjustment of the conversion rate.

Because the market price of our common stock is determined prior to the applicable repurchase date, holders of debentures bear the market risk with respect to the value of shares of our common stock to be received from the date the market price is determined to the repurchase date. We may pay the repurchase price or any portion of the repurchase price in shares of our common stock only if the information necessary to calculate the market price is published in a daily newspaper of national circulation.

Upon determination of the actual number of shares of common stock to be paid upon redemption of the debentures, we will disseminate a press release through Dow Jones & Company, Inc. or Bloomberg Business News containing this information or publish the information on our website or through such other broad public medium as we may use at that time.

A holder must either effect book-entry transfer or deliver the debentures, together with necessary endorsements, to the office of the paying agent after delivery of the repurchase notice to receive payment of the repurchase price. A holder will receive payment on the later of the repurchase date and the time of book-entry transfer or the delivery of the debentures. If the paying agent holds money or securities sufficient to pay the repurchase price of the debentures on the business day following the repurchase date, then:

- the debentures will cease to be outstanding;
- interest will cease to accrue; and
- all other rights of the holder will terminate.

This will be the case whether or not book-entry transfer of the debentures is made or whether or not the debentures are delivered to the paying agent.

We will comply with the provisions of Rule 13e-4 and any other tender offer rules under the Exchange Act which may be applicable at the time. We will file a Schedule TO or any other schedule required in connection with any offer by us to repurchase the debentures at your option.

Fundamental Change

Upon the occurrence of a Fundamental Change, a holder of debentures will have the right, at its option, to require us to repurchase all of its debentures not previously called for redemption, or any portion of the principal amount thereof, that is equal to \$1,000 or an integral multiple of \$1,000. The price we are required to pay is equal to 100% of the principal amount of the debentures plus accrued and unpaid interest up to, but not including, the repurchase date.

Instead of paying the repurchase price in cash, we may pay the repurchase price in shares of our common stock or, in the case of a merger in which we are not the surviving corporation, common stock, ordinary shares,

American Depositary Shares or analogous securities of the surviving entity or its direct or indirect parent entity, cash or a combination of the applicable securities and cash, at our option. The number of shares of common stock or securities a holder will receive will equal the repurchase price divided by 99% of the market price of our common stock or the applicable security. However, we may not pay the repurchase price in shares of our common stock, or the applicable securities or a combination of the common stock and applicable securities and cash, unless we satisfy certain conditions prior to the repurchase date as provided in the indenture, including:

- registration of the shares of common stock or securities to be issued upon repurchase under the Securities Act and the Exchange Act, if required;
- qualification of the shares of common stock or securities to be issued upon repurchase under applicable state securities laws, if necessary, or the availability of an exemption therefrom; and
- listing of the shares of common stock or securities to be issued upon repurchase on a United States national securities exchange or quotation thereof in an inter-dealer quotation system of any registered United States national securities association.

Within 15 days after the occurrence of a Fundamental Change, we are obligated to give to the holders of the debentures notice of the Fundamental Change and of the repurchase right arising as a result of the Fundamental Change and whether the purchase price will be paid in cash, common stock or other securities, or a combination of cash and common stock or other securities. We must also deliver a copy of this notice to the trustee. To exercise the repurchase right, a holder of the debentures must deliver on or before the 15th day after the date of our notice irrevocable written notice to the trustee of the holder's exercise of its repurchase right, together with the debentures with respect to which the right is being exercised. We are required to repurchase the debentures on the date that is 30 days after the date of our notice.

A "Fundamental Change" will be deemed to have occurred upon a Change in Control or a Termination of Trading.

A "Change in Control" will be deemed to have occurred at the time after the debentures are originally issued that any of the following occurs:

(1) any person, including any syndicate or group deemed to be a "person" under Section 13(d)(3) of the Exchange Act, acquires beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of transactions, of shares of our capital stock entitling the person to exercise 50% or more of the total voting power of all shares of our capital stock entitled to vote generally in elections of directors, other than an acquisition by us, any of our subsidiaries or any of our employee benefit plans and other than any transaction that meets the requirements of the second bullet point of clause (2) below; or

(2) consummation of any merger, consolidation or amalgamation by us with or into any other person (other than one or more of our subsidiaries), or of another person into us, or the conveyance, sale, transfer or lease of all or substantially all of our assets to another person, other than any transaction:

- that does not result in a reclassification, conversion, exchange or cancellation of our outstanding common stock, or
- pursuant to which the holders of our common stock immediately prior to the transaction have the entitlement to exercise, directly or indirectly, 50% or more of the total voting power of all voting securities entitled to vote generally in the election of directors of the continuing or surviving person immediately after the transaction, or
- which is effected solely to change our jurisdiction of incorporation and results in a reclassification, conversion or exchange of outstanding shares of our common stock solely into shares of common equity of the surviving person.

(3) any time our Continuing Directors (as defined below) do not constitute a majority of our board of directors (or, if applicable, a successor person to us).

However, a Change in Control will not be deemed to have occurred if either

(A) the closing sale price per share of common stock for any five trading days within the period of 10 consecutive trading days ending immediately after the later of the Change in Control or the public announcement of the Change in Control, in the case of a Change in Control relating to an acquisition of capital stock, or the period of 10 consecutive trading days ending immediately before the Change in Control, in the case of a Change in Control relating to a merger, consolidation, amalgamation or asset sale, equals or exceeds 105% of the conversion price of the debentures in effect before the Change in Control or the public announcement thereof, or

(B) all of the consideration (excluding cash payments for fractional shares and cash payments made pursuant to dissenters' appraisal rights) in a transaction otherwise constituting a Change in Control under clause (1) and/or clause (2) above consists of shares of common equity traded on an U.S. national securities exchange or market or quoted on the Nasdaq National Market (or will be so traded or quoted immediately following the transaction) and as a result of the transaction the debentures become convertible into such shares of common equity.

For purposes of these provisions:

- the conversion price is equal to \$1,000 divided by the conversion rate;
- whether a person is a "beneficial owner" will be determined in accordance with Rule 13d-3 under the Exchange Act; and
- "person" includes any syndicate or group that would be deemed to be a "person" under Section 13(d)(3) of the Exchange Act.

Rule 13e-4 under the Exchange Act requires the dissemination of prescribed information to security holders in the event of an issuer tender offer and may apply in the event that the repurchase option becomes available to the holders of debentures. We will comply with this rule to the extent it applies at that time.

The definition of Change in Control includes a phrase relating to the conveyance, transfer, sale, lease or disposition of "all or substantially all" of our and our subsidiaries' assets. There is no precise, established definition of the phrase "substantially all" under applicable law. Accordingly, the ability of a holder of debentures to require us to repurchase its debentures as a result of the conveyance, transfer, sale, lease or other disposition of less than all of our and our subsidiaries' assets may be uncertain.

"Continuing Directors" means, as of any date of determination, any member of our board of directors who (i) was a member of our board of directors on the date of the indenture or (ii) becomes a member of our board of directors subsequent to that date and was appointed, nominated for election or elected to our board of directors with the approval of a majority of the continuing directors who were members of our board of directors at the time of such appointment, nomination or election.

A "Termination of Trading" will be deemed to have occurred if our common stock (or other common stock into which the debentures are then convertible) is neither listed for trading on the New York Stock Exchange nor approved for trading on the Nasdaq National Market or any other U.S. securities exchange.

The foregoing provisions would not necessarily provide the holders of debentures with protection if we are involved in a highly leveraged or other transaction that may adversely affect the holders.

If a Fundamental Change were to occur, we may not have sufficient funds to pay the Fundamental Change repurchase price. See "Risk Factors" under the caption "We may not have sufficient funds necessary to purchase

the debentures upon the occurrence of a Fundamental Change or on other repurchase dates as required by the indenture.” In particular, we have, and may in the future incur, other indebtedness with similar change in control provisions permitting our holders to accelerate or to require us to repurchase our indebtedness upon the occurrence of similar events or on some specified dates. If we fail to repurchase the debentures when required following a Fundamental Change, we will be in default under the indenture.

Redemption Upon Changes in Withholding Taxes

We may redeem all, but not less than all, of the debentures under the following conditions:

1. If there is a change or an amendment in the laws or regulations of the Netherlands Antilles or any political subdivisions or taxing authorities thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations.
2. As a result of such change, we became or will become obligated to pay additional amounts, as defined below in “—Additional Amounts,” on the next payment date with respect to the debentures.
3. The obligation to pay additional amounts cannot be avoided through our reasonable measures.
4. We deliver to the trustee:
 - a certificate signed by two of our officers stating that the obligation to pay additional amounts cannot be avoided by our taking reasonable measures available to us; and
 - a written opinion of independent legal counsel to us of recognized standing to the effect that we have or will become obligated to pay additional amounts as a result of a change, amendment, official interpretation or application described above and that we cannot avoid the payment of such additional amounts by taking reasonable measures available to us.
5. Following the delivery of the certificate and opinion described in paragraph 4 above, we provide notice of redemption not less than 30 days, but not more than 60 days, prior to the date of redemption. The notice of redemption cannot be given more than 60 days before the earliest date on which we would be otherwise required to pay additional amounts, and the obligation to pay additional amounts must still be in effect when the notice is given.

Upon the occurrence of each of 1 through 5 above, we may redeem the debentures at a redemption price equal to 100% of the principal amount of the debentures plus accrued and unpaid interest to, but excluding, the redemption date, plus any additional amounts (a “tax redemption”).

Notwithstanding the foregoing, if we have given notice of a tax redemption as described above, each holder of debentures will have the right to elect that such holder’s debentures will not be subject to such tax redemption. If a holder elects not to be subject to a tax redemption, we will not be required to pay additional amounts (as described under “—Additional Amounts” below) with respect to payments made on that holder’s debentures following the redemption date fixed by us, and all subsequent payments on such holder’s debentures will be subject to any tax required to be withheld or deducted under Netherlands Antilles law. Holders must elect their option to avoid a tax redemption by written notice to the trustee no later than the 15th day prior to the redemption date fixed by us.

Additional Amounts

All payments that we are required to make under or in respect of the debentures will be paid without withholding or deductions for or on account of any present or future taxes, duties, assessments or governmental

charges imposed by the Netherlands Antilles or any political subdivision or taxing authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In the event we are required to withhold or deduct on account of any such taxes from any payment made under or with respect to the debentures, we will pay such additional amounts so that the net amount received by each holder of debentures, including those additional amounts, will equal the amount that such holder would have received if such taxes had not been required to be withheld or deducted.

Additional amounts will not be payable with respect to a payment to a holder of debentures to the extent:

(1) the holder is:

- able to avoid such withholding or deduction by complying with any applicable certification, documentation, information or other reporting requirements concerning the holder's nationality, residence, identity or connection with the Netherlands Antilles, or
- liable for such taxes, duties, assessments or governmental charges in respect of the debentures by reason of its having some connection with the Netherlands Antilles other than merely by the holding of the debentures and the receipt of payments thereon;

(2) of any estate, inheritance, gift, sales, transfer or personal property taxes imposed with respect to the debentures or of any other tax imposed other than by withholding on payments by us, except as otherwise provided in the indenture; or

(3) that any such taxes would not have been imposed but for the presentation of such debentures, where presentation is required, for payment on a date more than 30 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever is later, except to the extent that the holder would have been entitled to additional amounts had the debentures been presented for payment on any date during such 30-day period.

With respect to references in this document to the payment of principal of or interest on or any amount under any debenture, such references shall be deemed to include the payment of additional amounts to the extent that, in such context, additional amounts are, were or would be payable.

Certain Covenants

Other than the restrictions on liens and sale/leaseback transactions described below, the indenture and the debentures do not contain any covenants or other provisions designed to protect holders of the debentures in the event of a highly leveraged transaction. The indenture and the debentures also do not contain provisions that give holders of the debentures the right to require us to repurchase their debentures in the event of a decline in our credit rating resulting from a takeover, recapitalization or similar restructuring or otherwise.

We have agreed to two principal restrictions on our activities for the benefit of holders of the debentures. We have used in this summary description terms that we have defined below under "—Glossary."

Limitation on Liens

We will not, and will not permit any restricted subsidiary to, incur, issue, assume or guarantee any notes, bonds, debentures or other similar evidences of indebtedness for money borrowed, secured by a mortgage on any restricted property, or on any shares of stock, ownership interests in, or indebtedness of a restricted subsidiary, without effectively providing concurrently with the incurrence, issuance, assumption or guarantee of such secured indebtedness that the debentures (together with, if we shall so determine, any of our other indebtedness or the indebtedness of any such restricted subsidiary then existing or thereafter created ranking on a parity with the debentures) shall be secured equally and ratably with (or prior to) such secured indebtedness, so long as such

secured indebtedness shall be so secured, unless, after giving effect thereto, the aggregate amount of all such secured indebtedness (excluding any indebtedness secured by mortgages of the types referred to in clauses (a) through (e) below) plus all of our attributable debt and all of the attributable debt of our restricted subsidiaries in respect of sale and leaseback transactions (as defined below) involving restricted property, but excluding any attributable debt in respect of any such sale and leaseback transactions the proceeds of which have been applied to the retirement of funded debt pursuant to “—Limitation on Sale/Leaseback Transactions” below, would not exceed 10% of consolidated net assets as shown on our most recent consolidated quarterly financial statements; provided, however, that this provision shall not apply to:

(a) mortgages existing on the date of original issuance of the debentures;

(b) mortgages on property of, or on any shares of stock, ownership interests in or indebtedness of, any person existing at the time such person becomes a subsidiary or a restricted subsidiary;

(c) mortgages on property existing at the time of acquisition thereof (including acquisition through merger or consolidation) or to secure the payment of all or any part of the purchase price or cost of construction, development, expansion or improvement thereof or to secure any indebtedness incurred prior to, at the time of, or within 12 months after, the acquisition or completion of construction, development, expansion or improvement of such property or its commencement of commercial operations for the purpose of financing all or any part of the purchase price or cost of construction, development, expansion or improvement thereof;

(d) mortgages in favor of us or any restricted subsidiary; and

(e) any extension, renewal or replacement (or successive extensions, renewals or replacements), as a whole or in part, of any mortgage referred to in the foregoing clauses, inclusive; provided that such extension, renewal or replacement mortgage shall be limited to all or a part of the same property that secured the mortgage extended, renewed or replaced, plus improvements on such property.

The following types of transactions, among others, shall not be deemed to create indebtedness secured by a mortgage within the meaning of the foregoing paragraph:

- the mortgage of any of our property or any property of any of our subsidiaries in favor of the United States of America, or any state, or any entity, department, agency, instrumentality or political subdivision of either, to secure partial, progress, advance or other payments to the company or any subsidiary pursuant to the provisions of any contract or statute, or
- the mortgage of any property to secure indebtedness of the pollution control, industrial revenue or other revenue bond type.

Limitation on Sale/Leaseback Transactions

We will not, and will not permit any of our restricted subsidiaries to, enter into any arrangement with any bank, insurance company or other lender or investor (not including us or any restricted subsidiary), or to which any such lender or investor is a party, providing for the leasing by us or such restricted subsidiary for a period, including renewals, in excess of 3 years of any restricted property which has been owned and operated by us or such restricted subsidiary for more than 12 months and which has been or is to be sold or transferred by us or such restricted subsidiary to such lender or investor or to any person to whom funds have been or are to be advanced by such lender or investor on the security of such restricted property (herein referred to as a “sale and leaseback transaction”) unless either:

(a) we or such restricted subsidiary could create indebtedness secured by a mortgage pursuant to “—Limitations on Liens” described above on the restricted property to be leased, in an amount equal to the attributable debt with respect to such sale and leaseback transaction, without equally and ratably securing the debentures;

(b) since the initial issuance of the debentures and within a period commencing 12 months prior to the consummation of the sale and leaseback transaction and ending 12 months after the consummation of such sale and leaseback transaction, we or any restricted subsidiary, as the case may be, has expended or will expend for any restricted property an amount equal to (i) the greater of (x) the net proceeds of such sale and leaseback transaction and (y) the fair market value of the restricted property so leased at the time of entering into such transaction, as determined by the company (the greater of the sums specified in clauses (x) and (y) being referred to herein as the “net proceeds” of such transaction), and we elect to designate such amount as satisfying any obligation we would otherwise have under clause (c) below or (ii) a part of the net proceeds of such transaction and we elect to designate such amount as satisfying part of the obligation we would otherwise have under clause (c) below and apply an amount equal to the remainder of such net proceeds as provided in clause (c) below; or

(c) within 12 months of the consummation of any such sale and leaseback transaction, we apply an amount equal to the net proceeds of such transaction (less any amount elected under clause (b) above) to the retirement of our funded debt ranking on a parity with the debentures. No retirement referred to in this clause may be effected by payment at maturity or pursuant to any mandatory sinking fund or prepayment provision.

Glossary

“attributable debt” means, as to any particular lease under which any person is at the time liable, at any date as of which the amount thereof is to be determined, the total net amount of rent (discounted from the respective due dates thereof at the rate per annum set forth or implicit in the terms of such lease compounded semiannually) required to be paid by such person under such lease during the remaining term thereof. The net amount of rent required to be paid under any such lease for any such period shall be the total amount of the rent payable by the lessee with respect to such period, but may exclude amounts required to be paid on account of maintenance and repairs, insurance, taxes, assessments, water rates, utilities, operating and labor costs and similar charges. In the case of any lease which is terminable by the lessee upon the payment of a penalty, such net amount shall be the lesser of (i) the net amount determined assuming termination on the date terminating is permitted, including the amount of such penalty, but no rent shall be considered as required to be paid under such lease subsequent to the date upon which it may be so terminated, and (ii) the net amount determined assuming no such termination.

“consolidated net assets” means the total amount of assets appearing on our most recent consolidated quarterly balance sheet prepared in accordance with U.S. generally accepted accounting principles, after deducting therefrom (a) all current liabilities (excluding notes and loans payable, the current portion of long-term debt and capitalized lease obligations, any current liabilities which are by their terms extendible or renewable at the option of the obligor thereon to a time more than 12 months after the time as of which the amount thereof is being computed) and (b) total prepaid expenses and deferred charges.

“funded debt” means all indebtedness for money borrowed having a maturity of more than 12 months from the date as of which the amount thereof is to be determined or having a maturity of less than 12 months but by its terms being renewable or extendible beyond 12 months from such date at the option of the borrower.

“mortgage” means and includes any mortgage, pledge, lien, security interest, conditional sale or other title retention agreement or other similar encumbrance.

“person” means any individual, corporation, partnership, limited liability company, association, joint venture, trust, joint stock company or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

“restricted property” means any manufacturing plant or research facility located in the United States, except any manufacturing plant or research facility, or any portion thereof, which, in the opinion of our Board of

Directors, is not a principal plant or facility in relation to our activities and the activities of our restricted subsidiaries as a whole.

“restricted subsidiary” means any subsidiary which owns a restricted property if substantially all of the tangible property in which such subsidiary has an interest is located in the United States.

“subsidiary” means a corporation at least a majority of the outstanding voting stock of which is owned, directly or indirectly, by us or by one or more of our other subsidiaries, or by us and one or more other subsidiaries. For the purposes of this definition, “voting stock” means stock having voting power for the election of directors, whether at all times or only so long as no senior class of stock has such voting power by reason of any contingency.

Consolidation, Amalgamation, Merger and Sales of Assets

We may not (1) consolidate or amalgamate with or merge into any other person or sell, convey, lease or transfer our properties and assets substantially as an entirety to any other person in any one transaction or series of related transactions, or (2) permit any person to consolidate or amalgamate with or merge into us, unless:

- if we are not the surviving person, the surviving person formed by such consolidation or amalgamation or into which we are merged or the person to which our properties and assets are so transferred shall execute and deliver to the trustee a supplemental indenture expressly assuming the payment when due of the principal of and interest on the debentures and the performance of each of our other covenants under the indenture, and
- in either case, immediately after giving effect to such transaction, no default or event of default shall have occurred and be continuing.

If we become incorporated or otherwise organized under the laws of a country other than the Netherlands Antilles or the United States of America or any state thereof (or if the surviving person of a merger, amalgamation, or consolidation to which we are party is organized or incorporated under the laws of such a country), the terms of the debentures shall be changed to provide (i) for the payment of additional amounts in the case of any withholding or deduction for any taxes, duties, assessments or governmental charges imposed by the country in which we or the surviving person is incorporated or organized, or any political subdivision thereof, or taxing authorities thereof or therein, and (ii) for the redemption upon changes in withholding taxes with respect thereto, on terms substantially identical to the terms currently applicable in respect of taxes imposed by the Netherlands Antilles and its political subdivisions and taxing authorities.

Events of Default

The following are events of default with respect to the debentures:

- our failure to pay any interest on the debentures within 30 days after it becomes due and payable;
- our failure to pay principal of and accrued interest on the debentures at maturity, upon redemption, repurchase or following a Fundamental Change, when the same becomes due and payable;
- default by us or any of our significant subsidiaries under any instrument or instruments evidencing indebtedness (other than the debentures), including any indebtedness the payment of which is guaranteed by us or any of our significant subsidiaries, having an outstanding principal amount of \$125 million (or its equivalent in any other currency or currencies) or more that has caused the holders thereof to declare such indebtedness to be due and payable prior to its stated maturity unless such declaration has been rescinded within 30 days;
- default in the payment of any of our or any of our significant subsidiaries' indebtedness for money borrowed, including any indebtedness the payment of which is guaranteed by us or any of our

significant subsidiaries, in an aggregate principal amount exceeding \$125 million (or its equivalent in any other currency or currencies) when such indebtedness becomes due and payable at final maturity if such default shall continue more than 30 business days after the expiration of any grace period or extension of the time for payment applicable thereto;

- our failure to give notice of the right to require us to repurchase debentures following the occurrence of a Fundamental Change within the time required to give such notice, and such failure continues for 30 days;
- default in our performance of any other covenants or agreements in respect of the debentures contained in the indenture or the debentures for 60 days after written notice to us by the trustee or to us and the trustee by the holders of at least 25% in aggregate principal amount of the debentures then outstanding (or, in the case of a failure to comply with one of the covenants listed under “—Certain Covenants,” of all debt securities issued under the indenture then outstanding affected by such default); and
- certain events of bankruptcy, insolvency and reorganization of us or any of our significant subsidiaries.

A default under one series of debt securities issued under the indenture will not necessarily be a default under another series. The trustee may withhold notice to the holders of the debentures of any default or event of default (except in any payment on the debentures) if the trustee considers it in the interest of the holders of the debentures to do so.

The indenture requires that we file annually with the trustee a certificate describing any default by us in the performance of any conditions or covenants that has occurred under the indenture and its status. We must give the trustee written notice within 30 days of any default under the indenture that could mature into an event of default described in the fourth or fifth clause above.

If an event of default occurs and is continuing with respect to a series of the debentures, either the trustee or the registered holders of at least 25% in aggregate principal amount of the series of the debentures (or, in the case of events of default with respect to one of the covenants listed under “—Certain Covenants,” 25% in principal amount of all debt securities under the indenture affected, voting as one class) may declare the principal amount plus accrued and unpaid interest on the series of debentures to be due and payable immediately. If an event of default relating to some events of bankruptcy, insolvency or reorganization of Schlumberger Limited occurs, the principal amount plus accrued and unpaid interest on the debentures will become immediately due and payable without any action on the part of the trustee or any holder. At any time after a declaration of acceleration, but before a judgment or decree for payment of money has been obtained, if all events of default with respect to the debentures have been cured (other than the nonpayment of principal of the debentures which has become due solely by reason of the declaration of acceleration), then the declaration of acceleration shall be automatically annulled and rescinded. The holders of a majority in principal amount of the outstanding debentures of either series (or of all debt securities under the indenture affected, voting as one class, with respect to the covenants listed under “—Certain Covenants”) may in some cases rescind this accelerated payment requirement.

A holder of debentures of a series may pursue any remedy under the indenture only if:

- the holder gives the trustee written notice of a continuing event of default for the debentures of that series;
- the holders of at least 25% in principal amount of the outstanding debentures of that series make a written request to the trustee to pursue the remedy;
- the holder offers to the trustee indemnity reasonably satisfactory to the trustee;
- the trustee fails to act for a period of 60 days after receipt of notice and offer of indemnity; and
- during that 60-day period, the holders of a majority in principal amount of the debentures of that series do not give the trustee a direction inconsistent with the request.

This provision does not, however, affect the right of a holder of debentures to sue for enforcement of payment of the principal of or interest on the holder's debenture on or after the respective due dates expressed in its debentures or the holder's right to convert its debentures in accordance with the indenture.

The trustee is entitled under the indenture, subject to the duty of the trustee during a default to act with the required standard of care, to be indemnified before proceeding to exercise any right or power under the indenture at the direction of the registered holders of the debentures or which requires the trustee to expend or risk its own funds or otherwise incur any financial liability. The indenture also provides that the registered holders of a majority in principal amount of the outstanding debentures of a series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to the debentures of that series. The trustee, however, may refuse to follow any such direction that conflicts with law or the indenture, is unduly prejudicial to the rights of other registered holders of the debentures, or would involve the trustee in personal liability.

The indenture provides that while the trustee generally must mail notice of a default or event of default to the registered holders of the debentures within 90 days of occurrence, the trustee may withhold notice of any default or event of default (except in payment on the debentures) if the trustee in good faith determines that the withholding of such notice is in the interest of the registered holders of that series of debentures.

Modification and Waiver

We may amend or supplement the indenture if the holders of a majority in principal amount of the outstanding debt securities of all series affected by the amendment or supplement (acting as one class) consent to it. Without the consent of the holder of each debenture, however, no modification may:

- reduce the amount of debentures whose holders must consent to an amendment, supplement or waiver;
- reduce the rate of accrual of interest or change the time for payment of interest on the debenture;
- reduce the principal amount of the debenture or change its stated maturity;
- amend provisions relating to the payment of additional amounts or the provisions relating to the redemption upon changes in withholding taxes in a manner adverse to the holder of the debenture;
- reduce the redemption or repurchase price of the debenture or change the time at which the debenture may or must be redeemed or repurchased;
- make payments on the debenture payable in currency other than as originally stated in the debenture;
- impair the holder's right to institute suit for the enforcement of any payment on the debenture;
- make any change in the percentage of principal amount of debentures necessary to waive compliance with some provisions of the indenture or to make any change in this provision for modification;
- waive a continuing default or event of default regarding any payment on the debentures; or
- adversely affect the conversion or repurchase provisions of the debentures.

We may amend or supplement the indenture or waive any provision of it without the consent of any holders of debentures in some circumstances, including:

- to cure any ambiguity, omission, defect or inconsistency;
- to provide for the assumption of our obligations under the indenture by a successor upon any merger, consolidation, amalgamation or asset transfer permitted under the indenture;
- to provide for uncertificated debentures in addition to or in place of certificated debentures or to provide for bearer debentures;

- to provide any security for or guarantees of the debentures or for the addition of an additional obligor on the debentures;
- to comply with any requirement to effect or maintain the qualification of the indenture under the Trust Indenture Act of 1939;
- to add covenants that would benefit the holders of debentures or to surrender any rights we have under the indenture;
- to add events of default with respect to the debentures;
- to make such changes in connection with a consolidation, amalgamation, merger or other transaction as may be necessary so as to not impair the rights of holders of the debentures, including the right to receive payment of additional amounts in respect of any tax withholding or deduction imposed by the jurisdiction of formation; or
- to make any change that does not adversely affect any outstanding debentures in any material respect.

The holders of a majority in principal amount of the outstanding debentures of a series (or of all debt securities affected, voting as one class, in the case of the covenants listed under “— Certain Covenants”) generally may waive any existing or past default or event of default with respect to those debt securities. Those holders may not, however, waive any default or event of default in any payment on any debenture or compliance with a provision that cannot be amended or supplemented without the consent of each holder affected.

Defeasance

When we use the term defeasance, we mean discharge from some or all of our obligations under the indenture. If we deposit with the trustee funds or government securities sufficient to make payments on all the debentures on the dates those payments are due and payable, then, at our option, either of the following will occur:

- we will be discharged from our obligations with respect to the debentures (“legal defeasance”); or
- we will no longer have any obligation to comply with the restrictive covenants under the indenture, and the related events of default will no longer apply to us (“covenant defeasance”).

If we defease the debentures, the holders of the debentures will not be entitled to the benefits of the indenture, except for our obligations to deliver shares of our common stock upon conversion of the debentures, register the transfer or exchange of debentures, replace stolen, lost or mutilated debentures or maintain paying agencies and hold moneys for payment in trust. In the case of covenant defeasance, our obligation to pay principal, premium and interest on the notes will also survive.

We will be required to deliver to the trustee an opinion of counsel that the deposit and related defeasance would not cause the holders of the debentures to recognize income, gain or loss for U.S. federal income tax purposes. If we elect legal defeasance, that opinion of counsel must be based on a ruling from the United States Internal Revenue Service or a change in law to that effect.

Registration Rights

When we issued the debentures, we entered into a registration rights agreement with the initial purchasers. As required by the registration rights agreement, we have filed with the SEC, at our expense, a shelf registration statement, of which this prospectus forms a part, covering the resale of the debentures and our common stock issuable upon conversion of the debentures (together, the “registrable securities”). Under the registration rights agreement, we have agreed that we will, at our expense:

- use our reasonable best efforts to cause the shelf registration statement to be declared effective as promptly as is practicable, but in no event later than 180 days after the earliest date of original issuance of any of the debentures; and

- use our reasonable best efforts to keep the shelf registration statement effective until the earliest of:
 - two years after the last date of original issuance of any of the debentures;
 - the date when non-affiliate holders of the registrable securities are able to sell all such securities pursuant to paragraph (k) of Rule 144 under the Securities Act;
 - the date when all of the holders of the registrable securities that complete and deliver in a timely manner the selling securityholder Notice and Questionnaire described below are registered under the shelf registration statement and all registrable securities have been disposed of in accordance with the shelf registration statement; and
 - the date when there are no outstanding registrable securities.

We will provide to each holder of registrable securities that has delivered to us a completed Notice and Questionnaire as described below copies of the prospectus that will be part of the shelf registration statement, notify each such holder when the shelf registration statement has become effective and take certain other actions required to permit public resales of the registrable securities of such holders. We may suspend the holder's use of the registration statement for a period not to exceed 45 days in any 90-day period, and not to exceed an aggregate of 120 days in any 360-day period under certain circumstances related to acquisition or divestiture of assets, pending corporate developments or other similar events. Each holder, by its acceptance of the debentures, agrees to hold any communication by us in response to a notice of a proposed sale in confidence.

If,

- the shelf registration statement has not been declared effective prior to or on the 180th day following the earliest date of original issuance of any of the debentures (the "effectiveness target date"); or
- at any time after the effectiveness date of the shelf registration statement and prior to the second anniversary of the last date on which any debentures are issued, the shelf registration statement ceases to be effective or usable other than as a result of a suspension period and (1) we do not restore the effectiveness of the shelf registration statement within ten business days by a post-effective amendment or report filed pursuant to the Exchange Act or (2) if applicable, we do not terminate the suspension period described in the preceding paragraph, by the 45th day in any 90-day period, or if the suspension periods exceed 120 days in the aggregate in any 360-day period

(each, a "registration default"), additional interest as liquidated damages will accrue on the debentures, from and including the day following the registration default to but excluding the day on which the registration default has been cured. Liquidated damages will be paid in cash semiannually in arrears, with the first semiannual payment due on the first interest payment date, as applicable, following the date on which such liquidated damages begin to accrue, and will accrue at a rate per year equal to:

- an additional 0.25% of the Applicable Amount (as defined below) to and including the 90th day following such registration default; or
- an additional 0.50% of the Applicable Amount from and after the 91st day following such registration default.

In no event will liquidated damages accrue at a rate per year exceeding 0.50%. If a holder has converted some or all of its debentures into common stock, the holder will be entitled to receive equivalent amounts based on the principal amount of the debentures converted. "Applicable Amount" means, (i) with respect to the debentures, the principal amount of the debentures and (ii) with respect to shares of common stock issued upon conversion of the debentures, the principal amount of debentures that would then be convertible into such shares. All references in this prospectus to interest shall include any liquidated damages then payable.

A holder who elects to sell any registrable securities pursuant to the shelf registration statement will be required to be named as a selling securityholder in the related prospectus, will be required to deliver a prospectus

to purchasers, will be subject to certain civil liability provisions under the Securities Act in connection with those sales and will be bound by the provisions of the registration rights agreement that apply to a holder making such an election, including certain indemnification and contribution provisions.

We will mail a Notice and Questionnaire (the “Notice and Questionnaire”) to the holders of registrable securities not less than 30 calendar days prior to the time we intend in good faith to have the shelf registration statement declared effective. Holders are required to complete and deliver the signed Notice and Questionnaire at least five business days prior to the effective date of the shelf registration statement to be named as selling securityholders in the prospectus at the time of effectiveness. Holders of registrable securities will, however, have at least 20 calendar days from the date on which the Notice and Questionnaire is first mailed to them to return a completed and signed Notice and Questionnaire.

No holder of registrable securities will be entitled to be named as a selling securityholder in the shelf registration statement at the time of the effectiveness of the registration statement, and no holder of registrable securities will be entitled to use the prospectus forming a part of the shelf registration statement for offers and resales of registrable securities at any time, unless such holder has returned a completed and signed Notice and Questionnaire to us.

Beneficial owners of registrable securities who have not returned a Notice and Questionnaire by the deadline described above may receive another Notice and Questionnaire from us upon request. Following our receipt of a completed and signed Notice and Questionnaire, we will include the registrable securities covered thereby in the shelf registration statement, subject to restrictions on the timing provided in the registration rights agreement.

We agreed in the registration rights agreement to use our best efforts to cause the common stock issuable upon conversion of the debentures to be listed on the New York Stock Exchange. However, if our common stock is not then listed on the New York Stock Exchange, we will use our reasonable best efforts to cause the common stock issuable upon conversion of the debentures to be quoted or listed on whichever market or exchange our common stock is then quoted or listed, upon effectiveness of the shelf registration statement.

We will pay all expenses of the shelf registration statement; however, each holder will be required to bear the expense of any broker’s commission, agency fee or underwriter’s discount or commission.

This summary of certain provisions of the registration rights agreement may not contain all the information important to you. Holders may request from us a copy of the registration rights agreement by contacting us at the address set forth under “Where You Can Find More Information.”

Calculations in Respect of Debentures

We are responsible for making all calculations called for under the debentures. These calculations include, but are not limited to, determinations of the market prices of the debentures and of our common stock, and any accrued interest payable on the debentures. We will make all these calculations in good faith and, absent manifest error, our calculations will be final and binding on holders of debentures. We will provide a schedule of our calculations to the trustee, and the trustee is entitled to rely upon the accuracy of our calculations without independent verification. The trustee will forward our calculations to any holder of debentures upon the request of that holder.

Governing Law

The indenture and the debentures are governed by, and construed in accordance with, the laws of the State of New York.

Trustee

Citibank, N.A. is the trustee, registrar and paying agent. The trustee or its affiliates may from time to time provide banking and other services to us in the ordinary course of their businesses. One of the initial purchasers is an affiliate of the trustee.

If an event of default occurs and is continuing, the trustee will be required to use the degree of care and skill of a prudent man in the conduct of his own affairs. The trustee will become obligated to exercise any of its powers under the indenture at the request of any of the holders of any debentures only after those holders have offered the trustee indemnity reasonably satisfactory to it.

If the trustee becomes one of our creditors, it will be subject to limitations in the indenture on its rights to obtain payment of claims or to realize on some property received for any such claim, as security or otherwise. The trustee is permitted to engage in other transactions with us. If, however, it acquires any conflicting interest, it must eliminate that conflict or resign.

Form, Exchange, Registration and Transfer

The debentures were issued in registered form, without interest coupons. We will not charge a service charge for any registration of transfer or exchange of the debentures. We may, however, require the payment of any tax or other governmental charge payable for that registration.

The debentures are exchangeable for other debentures, for the same principal amount and for the same terms but in different authorized denominations in accordance with the indenture. Holders may present debentures for registration of transfer at the office of the security registrar or any transfer agent we designate. The security registrar or transfer agent will effect the transfer or exchange when it is satisfied with the documents of title and identity of the person making the request.

We have appointed the trustee as security registrar for the debentures. We may at any time rescind that designation or approve a change in the location through which any registrar acts. We are required to maintain an office or agency for transfers and exchanges in each place of payment. We may at any time designate additional registrars for the debentures.

In the case of any redemption, the security registrar will not be required to register the transfer or exchange of any debentures either:

- during a period beginning 15 business days prior to the mailing of the relevant notice of redemption and ending on the close of business on the day of mailing of the notice, or
- if the debentures have been called for redemption in whole or in part, except the unredeemed portion of any debentures being redeemed in part.

Payment and Paying Agents

Payments on the debentures will be made in U.S. dollars at the office of the trustee. At our option, however, we may make payments by check mailed to the holder's registered address or, with respect to global debentures, by wire transfer. We will make any required interest payments to the person in whose name each debenture is registered at the close of business on the record date for the interest payment.

The trustee is designated as our paying agent for payments on the debentures. We may at any time designate additional paying agents or rescind the designation of any paying agent or approve a change in the office through which any paying agent acts.

Subject to the requirements of any applicable abandoned property laws, the trustee and paying agent shall pay to us upon written request any money held by them for payments on the debentures that remain unclaimed for two years after the date upon which that payment has become due. After payment to us, holders entitled to the money must look to us for payment. In that case, all liability of the trustee or paying agent with respect to that money will cease.

Notices

Except as otherwise described herein, notice to registered holders of the debentures will be given by mail to the addresses as they appear in the security register. Notices will be deemed to have been given on the date of such mailing.

Replacement of Debentures

We will replace any debentures that become mutilated, destroyed, stolen or lost at the expense of the holder upon delivery to the trustee of the mutilated debentures or evidence of the loss, theft or destruction satisfactory to us and the trustee. In the case of a lost, stolen or destroyed debenture, indemnity satisfactory to the trustee and us may be required at the expense of the holder of the debentures before a replacement debenture will be issued.

Book-Entry System

The debentures are represented by one or more permanent global securities in definitive, fully registered form without interest coupons. The global securities have been deposited with the trustee as custodian for DTC and registered in the name of a nominee of DTC in New York, New York for the accounts of participants in DTC.

Investors who are qualified institutional buyers and who purchase debentures in reliance on Rule 144A under the Securities Act may hold their interests in the global securities directly through DTC if they are DTC participants, or indirectly through organizations that are DTC participants.

Investors who purchase debentures in offshore transactions in reliance on Regulation S under the Securities Act may hold their interests in the global securities directly through Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear") and Clearstream Banking, *soci t  anonyme* ("Clearstream"), if they are participants in such systems, or indirectly through organizations that are participants in such systems. Euroclear and Clearstream hold interests in the global securities on behalf of their participants through their respective depositaries, which in turn hold such interests in the global securities in customers' securities accounts in the depositaries' names on the books of DTC.

Except in the limited circumstances described below, holders of debentures represented by interests in the global securities are not entitled to receive debentures in definitive form.

DTC has advised us as follows: DTC is a limited purpose trust company organized under the laws of the State of New York Uniform Commercial Code and a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities of institutions that have accounts with DTC (which we refer to as "participants") and to facilitate the clearance and settlement of securities transactions among its participants in such securities through electronic book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of securities certificates. DTC's participants include securities brokers and dealers (which may include the initial purchasers), banks, trust companies, clearing corporations and certain other organizations. Access to DTC's book-entry system is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, whether directly or indirectly.

Upon the issuance of the global securities, DTC will credit, on its book-entry registration and transfer system, the respective principal amount of the individual beneficial interests represented by the global securities to the accounts of participants. The accounts to be credited shall be designated by the initial purchasers of such beneficial interests. Ownership of beneficial interests in the global securities will be limited to participants or persons that may hold interests through participants. Ownership of beneficial interests in the global securities will be shown on, and the transfer of those ownership interests will be effected only through, records maintained by DTC (with respect to participants' interests) and such participants (with respect to the owners of beneficial interests in the global securities other than participants).

So long as DTC or its nominee is the registered holder and owner of the global securities, DTC or such nominee, as the case may be, will be considered the sole legal owner of the debentures represented by the global securities for all purposes under the indenture and the debentures. Except as set forth below, owners of beneficial interests in the global securities will not be entitled to receive debentures in definitive form and will not be considered to be the owners or holders of any debentures under the global securities. We understand that under existing industry practice, in the event an owner of a beneficial interest in the global securities desires to take any actions that DTC, as the holder of the global securities, is entitled to take, DTC would authorize the participants to take such action, and that participants would authorize beneficial owners owning through such participants to take such action or would otherwise act upon the instructions of beneficial owners owning through them. No beneficial owner of an interest in the global securities will be able to transfer the interest except in accordance with DTC's applicable procedures, in addition to those provided for under the indenture and, if applicable, those of Euroclear and Clearstream.

Payments of the principal of, premium, if any, and interest and liquidated damages, if any, on the debentures represented by the global securities registered in the name of and held by DTC or its nominee will be made to DTC or its nominee, as the case may be, as the registered owner and holder of the global securities.

We expect that DTC or its nominee, upon receipt of any payment of principal or interest in respect of the global securities, will credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the global securities as shown on the records of DTC or its nominee. We also expect that payments by participants to owners of beneficial interests in the global securities held through such participants will be governed by standing instructions and customary practices as is now the case with securities held for accounts of customers registered in the names of nominees for such customers. Such payments, however, will be the responsibility of such participants and indirect participants, and neither we, the trustee nor any paying agent will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the global securities or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests or for any other aspect of the relationship between DTC and its participants or the relationship between such participants and the owners of beneficial interests in the global securities.

Unless and until it is exchanged in whole or in part for debentures in definitive form, the global securities may not be transferred except as a whole by DTC to a nominee of DTC or by a nominee of DTC to DTC or another nominee of DTC.

Transfers between participants in DTC will be effected in the ordinary way in accordance with DTC rules and will be settled in same-day funds. Transfers between participants in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Cross-market transfers between DTC, on the one hand, and directly or indirectly through Euroclear or Clearstream participants, on the other, will be effected in DTC in accordance with DTC rules on behalf of Euroclear or Clearstream, as the case may be, by its respective depository; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with its rules and procedures and within its established deadlines.

(Brussels time). Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depository to take action to effect final settlement on its behalf by delivering or receiving interests in the global securities in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositories for Euroclear or Clearstream.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in the global securities from a DTC participant will be credited during the securities settlement processing day (which must be a business day for Euroclear or Clearstream, as the case may be) immediately following the DTC settlement date, and such credit of any transactions interests in the global securities settled during such processing day will be reported to the relevant Euroclear or Clearstream participant on such day. Cash received in Euroclear or Clearstream as a result of sales of interests in the global securities by or through a Euroclear or Clearstream participant to a DTC participant will be received with value on the DTC settlement date, but will be available in the relevant Euroclear or Clearstream cash account only as of the business day following settlement in DTC.

We expect that DTC will take any action permitted to be taken by a holder of debentures (including the presentation of debentures for exchange as described below) only at the direction of one or more participants to whose account the DTC interests in the global securities is credited and only in respect of such portion of the aggregate principal amount of the debentures as to which such participant or participants has or have given such direction. However, if there is an event of default under the debentures, DTC will exchange the global securities for debentures in definitive form, which it will distribute to its participants. These debentures in definitive form will be subject to certain restrictions on registration of transfers and will bear restrictive legends.

Although we expect that DTC, Euroclear and Clearstream will agree to the foregoing procedures in order to facilitate transfers of interests in the global securities among participants of DTC, Euroclear, and Clearstream, DTC, Euroclear and Clearstream are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. Neither we nor the trustee will have any responsibility for the performance by DTC, Euroclear or Clearstream or their participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

If DTC is at any time unwilling to continue as a depository for the global securities and a successor depository is not appointed by us within 90 days, we will issue debentures in fully registered, definitive form in exchange for the global securities. Such debentures in definitive form will be subject to certain restrictions on registration of transfers and will bear restrictive legends.

DESCRIPTION OF COMMON STOCK

The following is a summary of certain rights of the holders of our common stock. Reference is made to our deed of incorporation and our by-laws, each as amended to date. See “Where You Can Find More Information” on page ii of this prospectus for information on how to obtain a copy of our deed of incorporation or by-laws.

Authorized, Issued and Treasury Shares

We are authorized to issue 1,500,000,000 shares of common stock, par value \$0.01 per share. As of September 3, 2003, 667,104,668 shares were issued, of which 585,211,417 shares were outstanding and 81,893,251 shares were held by us as treasury stock. In addition, we are authorized to issue, with some limitations with respect to voting rights, liquidation and dividend preferences, 200,000,000 shares of cumulative preferred stock, par value \$0.01 per share, which may be issued in one or more separate series. If issued, the preferred stock may contain provisions allowing it to be converted into common stock under terms and conditions specified by our board of directors. No shares of preferred stock have been issued as of the date of this prospectus.

Dividend Rights

All outstanding shares of our common stock (i.e., shares not held by us) are entitled to participate equally and receive dividends that may be paid out of available profits of the preceding fiscal year or years. All accumulated and unpaid dividends payable on preferred stock (if issued and outstanding) must be paid prior to the payment of any dividends on common stock. The amount of dividends payable with respect to any fiscal year is determined by the stockholders at the annual general meeting held within nine months of such fiscal year following such fiscal year, except that our board of directors may allocate such part of the earnings to the retained earnings reserves as it deems fit and may declare interim dividends.

Voting Rights

Each holder of shares of common stock is entitled to one vote for each share registered in that holder’s name. Voting rights may be exercised in person or by proxy. No action to amend our deed of incorporation or to sell all or substantially all of our assets or to dissolve us can be taken except upon the authorization of the holders of at least a majority of the outstanding shares eligible to vote. In addition, holders of preferred stock (if issued and outstanding) would have additional rights to vote as a class on certain amendments to our deed of incorporation that would adversely affect the preferred stock. Any other action requiring the approval of the shareholders may be authorized by a majority of the votes cast (excluding any abstentions) at any meeting at which a quorum is present, except that, if a quorum is not present at any meeting, a second meeting may be called, to be held within two months, at which second meeting, despite the absence of a quorum, valid resolutions may be adopted with respect to any matter stated in the notice of the original meeting and of the second meeting. A quorum consists of not less than 50% of the shares outstanding and eligible to vote.

Our board of directors is authorized to effect reorganizations or rearrangements of our corporate structure or that of our subsidiaries without the vote of shareholders if such reorganization or rearrangement does not result in any diminution of the beneficial interest of the shareholders in our assets. The board of directors may change our corporate domicile from the Netherlands Antilles to another jurisdiction without the necessity of any shareholder action or approval.

Preemptive and Other Rights

The shares of our common stock do not carry any preemptive or conversion rights, and there are no redemption provisions with respect to the common stock. The shares of preferred stock (if issued and

outstanding) would not carry any preemptive rights, but our board of directors could specify conversion rights, redemption provisions and (within limits) liquidation preferences with respect to one or more series of preferred stock. We may for our own account purchase shares of common stock so long as at least one-fifth of our authorized capital stock remains outstanding with other holders. In the event of liquidation, each share of common stock is entitled to equal rights after satisfaction of any preferred stock liquidation preference.

Listing, Transfer Agents and Registrars

Our common stock is listed for trading on the New York Stock Exchange, The London Stock Exchange, Euronext Paris, Euronext Amsterdam and The SWS Swiss Exchange. The transfer agent and registrar for the common stock is EquiServe Trust Company, N.A., Canton, Massachusetts.

SELLING SECURITYHOLDERS

We originally issued the debentures in a private placement to Citigroup Global Markets Inc. and Goldman, Sachs & Co. The debentures were resold by the initial purchasers to qualified institutional buyers within the meaning of Rule 144A under the Securities Act and outside the United States in accordance with Regulation S under the Securities Act. The selling securityholders may from time to time offer and sell, pursuant to this prospectus, any or all of the debentures listed below and our common stock issued upon conversion of the debentures. When we refer to “selling securityholders” in this prospectus, we mean those persons listed in the table below, as well as pledges, donees, assignees, transferees, successors and others who later hold any of the selling securityholders’ interests.

The following table sets forth certain information concerning the principal amount of debentures beneficially owned by each selling securityholder and the number of shares of common stock issuable upon conversion of the debentures that may be offered from time to time pursuant to this prospectus. Unless set forth below, none of the selling securityholders has, or within the past three years has had, any material relationship with us or any of our predecessors or affiliates.

We have prepared the table below based on information furnished to us by the selling securityholders. However, a selling securityholder may already have or may in the future offer and sell, transfer or otherwise dispose of some or all of its debentures in transactions exempt from the registration requirements of the Securities Act without notifying us. As a result, the same debentures may be included in the table below as being held by more than one holder. Further, we cannot give an estimate as to the amount of the debentures or common stock issuable upon conversion of the debentures that will be held by the selling securityholders upon the termination of this offering because the selling securityholders may offer some or all of their debentures or the underlying common stock pursuant to the offering contemplated by this prospectus or otherwise in transactions exempt from the registration requirements of the Securities Act. Please read “Plan of Distribution.”

Information about the selling securityholders may change over time. Any changed information will be set forth in prospectus supplements from time to time, if required.

The number of shares of common stock shown in the table below assumes conversion of the full amount of debentures held by such holder at the initial conversion rate of 13.8255 shares per \$1,000 principal amount of Series A debentures and 12.5000 shares per \$1,000 principal amount of Series B debentures. These conversion rates are subject to certain adjustments. Accordingly, the number of shares of common stock issuable upon conversion of the debentures may increase or decrease from time to time. Under the terms of the indenture, fractional shares will not be issued upon conversion of the debentures. Cash will be paid instead of fractional shares, if any.

Name	Principal Amount of Series A Debentures Beneficially Owned That May be Sold	Percentage of Series A Debentures Outstanding	Principal Amount of Series B Debentures Beneficially Owned That May be Sold	Percentage of Series B Debentures Outstanding	Number of Shares of Common Stock Underlying the Debentures and Offered Hereby	Percentage of Common Stock Outstanding(1)
AIG DKR Soundshore Strategic Holding Fund Ltd.	3,000,000	*	—	—	41,476	*
AM Investment D Fund (QP) LP	550,000	*	—	—	7,604	*
AM Investment E Fund Ltd.	3,150,000	*	—	—	43,550	*
Arbitex Master Fund, L.P.	37,500,000	3.8%	—	—	518,456	*
Argent Classic Convertible Arbitrage (Bermuda) Fund Ltd.	13,100,000	1.3	9,200,000	2.0%	296,114	*
Argent Classic Convertible Arbitrage Fund LP	6,400,000	*	4,500,000	1.0	144,733	*
Argent LowLev Convertible Arbitrage (Bermuda) Fund Ltd.	28,000,000	2.9	6,100,000	1.4	463,364	*
Argent LowLev Convertible Arbitrage Fund LLC	5,200,000	*	2,700,000	1.3	105,643	*
Credit Industriel D'Alsace et de Lorraine	3,000,000	*	—	—	41,476	*
Defined Benefit Plan of Zeneca AG Products Holdings, Inc.	195,000	*	—	—	2,695	*
Defined Benefit Plans of ICI American Holdings Inc.	210,000	*	—	—	2,903	*
Delta Air Lines Master Trust	90,000	*	—	—	1,244	*
Gaia Offshore Master Fund Ltd.	3,800,000	*	7,400,000	1.6	145,036	*
ICI Canada Inc.	130,000	*	—	—	1,797	*
JW McConnell Family Foundation	730,000	*	—	—	10,092	*
KD Convertible Arbitrage Fund L.P.	2,000,000	*	—	—	27,651	*
Lyxor Master Fund	2,500,000	*	—	—	34,564	*
Lyxor Zola Fund Limited	1,000,000	*	—	—	13,825	*
Lyxor/AM Investment Fund Ltd.	850,000	*	—	—	11,751	*
Lyxor/Gaia II Fund Ltd.	1,100,000	*	2,300,000	*	43,958	*
Mellon HBU Master Multi-Strategy Fund LP	500,000	*	—	—	6,912	*
Microsoft Corporation	1,005,000	*	—	—	13,894	*
Nabisco Inc. Defined Benefit Master Trust	4,095,000	*	—	—	56,615	*
Nomura Securities International Inc.	30,000,000	3.0	—	—	414,765	*
OCM International Convertible Trust	655,000	*	—	—	9,055	*
Oppenheimer Convertible Series Fund	—	—	5,000,000	1.1	62,500	*
Partner Reinsurance Company Ltd.	125,000	*	—	—	1,728	*
San Diego County Employees Retirement Association	1,200,000	*	—	—	16,590	*
Satellite Asset Management, L.P.	15,000,000	1.5	—	—	207,383	*
Satellite Convertible Arbitrage Master Fund, LLC	5,000,000	*	—	—	69,127	*
South Dakota Retirement System	5,000,000	*	—	—	69,127(2)	*
State Employees' Retirement Fund of the State of Delaware	2,965,000	*	—	—	40,992	*
Teachers Insurance and Annuity Association of America	27,500,000	2.8	—	—	380,201	*
Thrivent Financial for Lutherans	750,000	*	—	—	10,369(3)	*
Xavex Convertible Arbitrage 2 Fund	1,600,000	*	1,100,000	*	35,870	*
Xavex Convertible Arbitrage 10 Fund	500,000	*	1,200,000	*	21,913	*
Zazove Convertible Arbitrage Fund L.P.	3,500,000	*	—	—	48,389	*
Zazove Hedged Convertible Fund L.P.	2,000,000	*	—	—	27,651	*
Zazove Income Fund L.P.	1,300,000	*	—	—	17,973	*
Zeneca Holdings Pension Trust	800,000	*	—	—	11,060	*
Zola Partners, L.P.	1,000,000	*	—	—	13,825	*
Zurich Institutional Benchmark Master Fund LTD	2,300,000	*	600,000	*	39,298	*
All other holders of debentures or future pledgees, donees, assignees, transferees or successors of any such holder(4)(5)	755,700,000	77.5%	409,900,000	91%	15,571,694	2.7%

* Less than 1%.

- (1) Calculated pursuant to Rule 13d-3(d)(i) of the Exchange Act using 585,211,417 shares of common stock outstanding as of September 3, 2003. In calculating this amount, we treated as outstanding the number of shares of common stock issuable upon conversion of all of a selling securityholder's debentures. However, we did not assume the conversion of any other selling securityholder's debentures.
- (2) South Dakota Retirement System also owns 99,100 shares of our common stock.
- (3) Thrivent Financial for Lutherans also owns 5,350 shares of our common stock.
- (4) Assumes that holders of the debentures, or any future pledgees, donees, assignees, transferees or successors of or from any such other holders of debentures do not beneficially own any common stock other than the common stock issuable upon conversion of the debentures at the initial conversion rates.
- (5) Information concerning other selling securityholders of debentures or common stock issuable upon conversion of the debentures will be set forth in prospectus supplements from time to time, if required.

General

The following is a summary of certain material U.S. federal income tax considerations relevant to the purchase, ownership and disposition of the debentures and common stock into which the debentures may be converted. It is not, however, a complete analysis of all the potential tax considerations. This summary is based on the provisions of the United States Internal Revenue Code of 1986 (the "Code"), as amended, the applicable Treasury Regulations promulgated thereunder, judicial authority and current administrative rulings and practice, all of which are subject to change, possibly on a retroactive basis. This summary applies only to initial purchasers that purchase debentures at their issue price.

Unless otherwise stated, this summary deals only with a "U.S. Holder," which term means a beneficial holder of a debenture or common stock received upon conversion of a debenture that is, for U.S. federal income tax purposes: (1) a citizen or resident of the United States, (2) a domestic corporation or any other entity taxable as a corporation created or organized under the laws of the United States or any of its political subdivisions, or (3) any other person that is subject to U.S. federal income tax on a net income basis in respect of its investment in the debentures or common stock.

This summary deals only with holders that purchase their debentures in the initial offering at the initial offering price and hold debentures and common stock as "capital assets" (generally, property held for investment). Holders that purchase their debentures at a price other than their initial offering price should contact their tax advisors regarding the manner in which any difference between the initial offering price and the holder's tax basis in the debentures or common stock will be taken to account in determining the holder's federal income tax liability with respect to the debentures or common stock. This summary does not deal with all aspects of U.S. federal income taxation that might be relevant to particular holders in light of their personal investment circumstances or special status, nor does it address tax considerations applicable to investors that may be subject to special tax rules, such as certain financial institutions, tax-exempt organizations, S corporations, insurance companies, broker-dealers, dealers or traders in securities or currencies, certain expatriates, taxpayers subject to the alternative minimum tax, and Non-U.S. Holders, as described below, as to which income or gain with respect to the debentures or common stock is effectively connected with the conduct of a trade or business in the United States. It also does not discuss debentures or common stock held as part of a hedge, straddle, "synthetic security" or other integrated investment composed of a debenture or common stock and one or more other investments, or situations in which the functional currency of the holder is not the U.S. dollar. Moreover, it does not discuss the effect of any applicable state, local or foreign tax laws.

The following discussion is for general information only. Investors considering the purchase of debentures should consult their own tax advisors with respect to the application of the U.S. federal income tax laws to their particular situations as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction or under any applicable tax treaty.

Treatment of U.S. Holders***Payment of Interest***

U.S. Holders will be required to recognize as ordinary income any interest paid or accrued on the debentures and any additional amounts received with respect to taxes (including withholdings or deductions for taxes required by law), in accordance with their regular method of accounting for U.S. federal income tax purposes.

Liquidated Damages

We intend to take the position that the possibility that holders of debentures will be paid liquidated damages under the registration rights agreement due to a failure to register within the prescribed time periods is a remote

contingency as of the issue date of the debentures, within the meaning of the applicable Treasury Regulations. Accordingly, any liquidated damages should be taxable to a U.S. Holder as ordinary income only at the time it accrues or is received in accordance with such U.S. Holder's regular method of tax accounting. Our determination that the payment of liquidated damages is a remote contingency is binding upon all holders of the debentures, unless a holder properly discloses to the IRS that it is taking a contrary position.

Sale, Exchange or Redemption of the Debentures

Upon the sale, exchange or redemption of a debenture, a U.S. Holder generally will recognize capital gain or loss equal to the difference between (1) the amount of cash plus the fair market value of any other property received on the sale, exchange or redemption (except to the extent such amount is attributable to accrued and unpaid interest, which amount is treated as interest subject to the rules discussed above under "Payment of Interest") and (2) such holder's adjusted tax basis in the debenture. A U.S. Holder's adjusted tax basis in a debenture on any date generally will equal the U.S. Holder's purchase price for the debenture. Such capital gain or loss will be long-term capital gain or loss if the U.S. Holder's holding period in the debenture is more than one year at the time of sale, exchange or redemption. The deductibility of net capital losses is subject to limitations and long-term gain realized by individual U.S. Holders in respect of the debentures is subject to taxation at preferential rates. For a discussion of the tax rates applicable to long-term capital gain, see "—New Tax Rates Applicable to Certain Dividends and Long-Term Capital Gain."

Conversion of the Debentures

The conversion of the debentures into common stock will not be a taxable event, other than in respect of cash received in lieu of fractional common stock.

Cash received in lieu of fractional common stock should be treated as a payment in exchange for the fractional share of common stock (rather than as a dividend). A U.S. Holder will recognize a taxable capital gain or loss in respect of such payment in an amount equal to the difference between (1) the amount of cash received in lieu of the fractional share of common stock and (2) the U.S. Holder's adjusted tax basis attributable to the fractional share.

Following conversion, a U.S. Holder generally will have the same tax basis (reduced by the portion of tax basis allocated to any fractional share for which cash is received) and should have the same holding period in common stock received upon conversion as the U.S. Holder had in the underlying converted debentures.

Exercise of Repurchase Right

If a U.S. Holder requires us to repurchase a debenture on a repurchase date and if we deliver cash in full satisfaction of the purchase price, the exchange of a debenture for cash will be treated the same as a sale, exchange or redemption of the debenture. If a U.S. Holder requires us to repurchase a debenture on a repurchase date and if we deliver common stock in payment of the purchase price, the repurchase of a debenture for common stock will be treated in the same manner as the receipt of common stock on the conversion of debentures, except that a portion of the common stock will be treated as a payment of accrued interest. The holder's tax basis in the shares of common stock attributable to accrued interest will be equal to the amount of the accrued interest included in income and the holding period for those shares will begin on the day after the date of the repurchase. If a U.S. Holder requires us to repurchase a debenture on a repurchase date and if we deliver a combination of cash and common stock in payment of the purchase price, then, except with respect to the payment of accrued interest, (1) the U.S. Holder will recognize gain (but not loss) to the extent that the cash and the value of the common stock exceeds the holder's adjusted tax basis in the debenture, but in no event will the amount of recognized gain exceed the amount of cash received, (2) the U.S. Holder's basis in the common stock received will be the same as the holder's basis in the debenture repurchased by us (exclusive of any basis allocable to a fractional share), decreased (but not below zero) by the amount of cash received (other than cash

received in lieu of a fractional share), and increased by the amount of gain, if any, recognized by the holder (other than gain with respect to a fractional share), and (3) the holding period of the common stock received in the exchange will include the holding period for the debenture which was repurchased. If a U.S. Holder receives a combination of cash and common stock in payment of the purchase price, a portion of the cash and/or common stock will be attributable to accrued interest. Since the precise allocation in this circumstance is unclear, U.S. Holders should consult their own tax advisors on this matter. Payments for accrued interest not previously included in income will be treated as ordinary interest income.

Dividends on Common Stock

If a U.S. Holder converts the debenture into common stock, in general, any distribution in respect of the common stock will constitute dividends for U.S. federal income tax purposes to the extent of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Dividends paid to corporations will not qualify for the dividends-received deduction. For a discussion of recently enacted law reducing the tax rate applicable to certain dividends, see “—New Tax Rates Applicable to Certain Dividends and Long-Term Capital Gain.”

To the extent that a U.S. Holder receives distributions on our common stock that would otherwise constitute dividends for U.S. federal income tax purposes but that exceed our current and accumulated earnings and profits, the distribution will be treated first as a non-taxable return of capital, which reduces the holder’s basis in the common stock. Any distribution in excess of the holder’s basis in the common stock will be treated as capital gain, long-term or short-term, depending on whether the holder’s holding period exceeds one year.

Constructive Dividends

If we at any time make a distribution of property to our stockholders that is taxable to the stockholders as a dividend for U.S. federal income tax purposes and, in accordance with the anti-dilution provisions of the debentures, the conversion rate of the debentures is increased, such increase might be deemed to be the payment of a taxable dividend to holders of the debentures.

For example, an increase in the conversion rate in the event of distributions of our evidences of indebtedness or our assets or an increase in the event of an extraordinary cash dividend would generally result in deemed dividend treatment to holders of the debenture, but generally an increase in the conversion rate in the event of stock dividends or the distribution of rights to subscribe for common stock will not.

Generally, constructive dividends in respect of the debentures, if any, described above, would be taxed at normal rates applicable to ordinary income and would not be eligible for the reduced rate of taxation generally applicable to dividend income under the new U.S. tax legislation discussed immediately below.

New Tax Rates Applicable to Certain Dividends and Long-Term Capital Gain

Under recently enacted tax legislation, certain dividends received by U.S. Holders who are individuals, and long-term capital gain recognized by U.S. Holders who are individuals, generally are subject to reduced maximum tax rate of 15 percent through December 31, 2008. For these purposes, long-term capital gain is gain realized in respect of a capital asset in which the taxpayer has a holding period of greater than one year. Dividends paid in respect of our common stock currently qualify for the reduced rate because our common stock is “readily tradable on an established securities market in the United States,” namely the New York Stock Exchange. The rate reduction does not apply to dividends received in respect of certain short-term or hedged positions in the common stock or to dividends to the extent that an individual U.S. Holder elects to treat the dividends as “investment income,” which may be offset against interest expense.

Sale or Exchange of Common Stock

Upon the sale or exchange of common stock, a U.S. Holder generally will recognize capital gain or loss equal to the difference between (1) the amount of cash and the fair market value of any property received upon the sale or exchange and (2) such holder's adjusted tax basis in the common stock. Such capital gain or loss will be long-term if the U.S. Holder's holding period in the common stock is more than one year at the time of the sale or exchange. A U.S. Holder's basis and holding period in a common stock received upon conversion of a debenture are determined as discussed above under "Conversion of the Debentures."

Treatment of Non-U.S. Holders

General

The following discussion describes the tax consequences to a Non-U.S. Holder. A Non-U.S. Holder is, for these purposes, a beneficial owner of a debenture or common stock that is not a "United States person," which term in turn means a citizen or resident of the United States, a corporation, partnership or other entity created or organized in or under the laws of the United States or any political subdivision thereof, an estate the income of which is subject to United States federal income taxation regardless of its source or a trust if (1) a U.S. court is able to exercise primary supervision over the trust's administration and (2) one or more United States persons have the authority to control all of the trust's substantial decisions.

Interest and Dividends

Subject to the next paragraph, Non-U.S. Holders will not be subject to U.S. federal income taxes, including withholding taxes, on payments of interest on the debentures or dividend payments on common stock received upon a conversion, unless:

- (1) the Non-U.S. Holder is an insurance company carrying on a U.S. insurance business, within the meaning of the Code, to which the interest or dividend payment is attributable, or
- (2) the Non-U.S. Holder has an office or other fixed place of business in the United States to which the dividend is attributable and the dividend either (a) is derived in the active conduct of a banking, financing or similar business within the United States or (b) is received by a corporation the principal business of which is trading in stock or securities for its own account, and certain other conditions exist.

Insofar as concerns payments of interest, we may, in our discretion, require Non-U.S. Holders to establish that they are eligible for the "portfolio interest" exemption from withholding tax. A Non-U.S. Holder could generally establish eligibility for this exemption by certifying to us or certain intermediaries on U.S. Treasury Form W-8BEN that the holder is not a U.S. person. If a Non-U.S. Holder is requested to but fails to establish eligibility for an exemption from withholding tax, then payments of interest to that holder may be subject to withholding tax at the 30% statutory rate.

Sale of Disposition of Debentures or Common Stock

In general, the gain realized on any sale or exchange of a debenture or common stock received by a Non-U.S. Holder will not be subject to United States federal income tax, including withholding tax, unless (1) such gain is effectively connected with the conduct by the holder of a trade or business in the United States or (2) in the case of gain realized by an individual holder, the holder is present in the United States for 183 days or more in the taxable year of the sale and either (A) such gain or income is attributable to an office or other fixed place of business maintained in the United States by such holder or (B) such holder has a tax home in the United States. Under certain circumstances, upon a sale or exchange of a debenture, a Non-U.S. Holder may be requested to establish an exemption from withholding tax on the portion of the proceeds which is attributable to accrued interest. See "—Treatment of Non-U.S. Holders—Interest and Dividends," above.

CERTAIN NETHERLANDS ANTILLES TAX CONSEQUENCES

Under the laws of the Netherlands Antilles as currently in effect, a holder of debentures or common stock who is not a resident of, and during the taxable year has not engaged in trade or business through a permanent establishment in, the Netherlands Antilles will not be subject to Netherlands Antilles income or withholding tax on interest paid on the debentures or dividends paid on the common stock or on gains realized during that year on a sale or other disposition of the debentures or common stock. Under Netherlands Antilles law, no gift or inheritance taxes are levied if, at the time of such gift or at the time of death, the holder of debentures or common stock was not domiciled in the Netherlands Antilles.

PLAN OF DISTRIBUTION

We will not receive any of the proceeds of the sale of the debentures and the underlying common stock offered by this prospectus. The aggregate proceeds to the selling securityholders from the sale of the debentures or underlying common stock will be the purchase price of the debentures or underlying common stock less any discounts and commissions. A selling securityholder reserves the right to accept and, together with their agents, to reject, any proposed purchase of debentures or common stock to be made directly or through agents.

The debentures and the underlying common stock may be sold from time to time to purchasers

- directly by the selling securityholders and their successors, which includes their pledgees, donees, assignees, transferees or successors, or
- through underwriters, broker-dealers or agents who may receive compensation in the form of discounts, concessions or commissions from the selling securityholders or the purchasers of the debentures and the underlying common stock. These discounts, concessions or commissions may be in excess of those customary in the types of transactions involved.

The selling securityholders and any underwriters, broker-dealers or agents who participate in the distribution of the debentures and the underlying common stock may be deemed to be “underwriters” within the meaning of Section 2(11) of the Securities Act. As a result, any profits on the sale of the debentures and the underlying common stock by selling securityholders and any discounts, commissions or concessions received by any such broker-dealers or agents may be deemed to be underwriting discounts and commissions under the Securities Act. Selling securityholders who are “underwriters” within the meaning of Section 2(11) of the Securities Act will be subject to prospectus delivery requirements of the Securities Act. If the selling securityholders were deemed to be underwriters, the selling securityholders may be subject to certain statutory liabilities of, including, but not limited to, Sections 11, 12 and 17 of the Securities Act and Rule 10b-5 under the Exchange Act.

If the debentures and the underlying common stock are sold through underwriters, broker-dealers or agents, the selling securityholders will be responsible for underwriting discounts or commissions or agent’s commissions.

The debentures and the underlying common stock may be sold in one or more transactions at:

- fixed prices;
- prevailing market prices at the time of sale;
- prices related to such prevailing market prices;
- varying prices determined at the time of sale; or
- negotiated prices.

These sales may be effected in transactions

- on any national securities exchange or quotation service on which the debentures and underlying common stock may be listed or quoted at the time of the sale, including the New York Stock Exchange in the case of the common stock;
- in the over-the-counter market;
- in transactions otherwise than on such exchanges or services or in the over-the-counter market;
- through the writing and exercise of options (including the issuance by the selling securityholder of derivative securities), whether such options or other derivative securities are listed on an options exchange or otherwise; or
- through the settlement of short sales.

These transactions may include block transactions or crosses. Crosses are transactions in which the same broker acts as an agent on both sides of the trade.

In connection with the sales of the debentures and the common stock issuable upon conversion of the debentures or otherwise, the selling securityholders may enter into hedging transactions with broker-dealers or other financial institutions that in turn may engage in short sales of the debentures or the common stock in the course of hedging their positions, sell the debentures and common stock short and deliver the debentures and common stock to close out short positions, loan or pledge debentures or the common stock to broker-dealers or other financial institutions that in turn may sell the debentures and the common stock, enter into option or other transactions with broker-dealers or other financial institutions that require the delivery to the broker-dealer or other financial institution of the debentures or the common stock, which the broker-dealer or other financial institution may resell pursuant to the prospectus, or enter into transactions in which a broker-dealer makes purchases as a principal for resale for its own account or through other types of transactions.

To our knowledge, there are currently no plans, arrangements or understandings between any selling securityholders and any underwriter, broker-dealer or agent regarding the sale of the debentures and the underlying common stock by the selling securityholders.

Our common stock trades on the New York Stock Exchange under the symbol "SLB." We do not intend to apply for listing of the debentures on any securities exchange or for inclusion of the debentures in any automated quotation system. Accordingly, no assurances can be given as to the development of liquidity or any trading market for the debentures. Please read "Risk Factors—Risk Factors Related to the Debentures and the Offering—An active trading market for the debentures may not develop, and there are restrictions on resale of the debentures and the common stock issued upon conversion of the debentures."

There can be no assurance that any selling securityholder will sell any or all of the debentures or the underlying common stock pursuant to this prospectus. Further, we cannot assure you that any such selling securityholder will not transfer, devise or gift the debentures and the underlying common stock by other means not described in this prospectus. In addition, any debentures or underlying common stock covered by this prospectus that qualify for sale pursuant to Rule 144 or Rule 144A of the Securities Act may be sold under Rule 144 or Rule 144A rather than under this prospectus. The debentures and the underlying common stock may be sold in some states only through registered or licensed brokers or dealers. In addition, in some states the debentures and underlying common stock may not be sold unless they have been registered or qualified for sale or an exemption from registration or qualification is available and complied with.

The selling securityholders and any other person participating in the sale of debentures or the underlying common stock will be subject to the Exchange Act. The Exchange Act rules include, without limitation, Regulation M, which may limit the timing of purchases and sales of any of the debentures and the underlying common stock by the selling securityholders and any other such person. In addition, Regulation M of the Exchange Act may restrict the ability of any person engaged in the distribution of the debentures and the underlying common stock to engage in market-making activities with respect to the particular debentures and the underlying common stock being distributed for a period of up to five business days before the commencement of such distribution. This may affect the marketability of the debentures and the underlying common stock and the ability of any person or entity to engage in market-making activities with respect to the debentures and the underlying common stock.

Pursuant to the registration rights agreement filed as an exhibit to this registration statement, we and the selling securityholders will be indemnified by the other against certain liabilities, including certain liabilities under the Securities Act, or will be entitled to contribution in connection with these liabilities.

We have agreed to pay substantially all of the expenses incidental to the registration, offering and sale of the debentures and underlying common stock to the public other than commissions, fees and discounts of underwriters, brokers, dealers and agents.

LEGAL MATTERS

Certain legal matters in connection with the debentures and the common stock issuable upon conversion of the debentures will be passed upon for us by Ellen Summer, Esq., General Counsel and Secretary of Schlumberger Limited.

EXPERTS

The financial statements incorporated in this Registration Statement by reference to the Annual Report on Form 10-K for the year ended December 31, 2002 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

PART II

Information Not Required in Prospectus

ITEM 14. Other Expenses of Issuance and Distribution

The following table sets forth the estimated expenses payable by Schlumberger Limited (the “Registrant”) in connection with the issuance and distribution of the securities being registered. All amounts shown are estimates, except the registration fee.

Securities and Exchange Commission registration fee	\$ 115,283
Printing expenses	20,000
Accounting fees and expenses	30,000
Legal fees and expenses	50,000
Miscellaneous	34,717
Total	\$ 250,000

ITEM 15. Indemnification of Directors and Officers

Article 10 of the Registrant’s Deed of Incorporation and Article V of the Registrant’s By-Laws provide that:

The Registrant has the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of Schlumberger) by reason of the fact that he or she is or was a director, officer, employee or agent of Schlumberger, or is or was serving at the request of the Registrant as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise or entity, against expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Registrant, and, with respect to any criminal action or proceeding, had no reasonable cause to believe that such person’s conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, does not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Registrant, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such person’s conduct was unlawful. The Registrant is required to indemnify any present or former officer or director of the Registrant to the fullest extent allowed by the preceding paragraphs in the event of a “Change of Control.” “Change in Control” means a change in control of Schlumberger, which shall be deemed to have occurred if at any time (i) any entity, person or organization is or becomes the legal or beneficial owner, directly or indirectly, of securities of Schlumberger representing 30% or more of the combined voting power of Schlumberger’s then outstanding shares without the prior approval of at least two-thirds of the members of the Board of Directors in office immediately prior to such entity, person or organization attaining such percentage interest; (ii) Schlumberger is a party to a merger, consolidation, share exchange, sale of assets or other reorganization, or a proxy contest, as a consequence of which members of the Board of Directors in office immediately prior to such transaction or event constitute less than a majority of the Board of Directors thereafter; or (iii) during any 15-month period, individuals who at the beginning of such period constituted the Board of Directors (including for this purpose any new director whose election or nomination for election by Schlumberger’s stockholders was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of such period) cease for any reason to constitute at least a majority of the Board of Directors.

The Registrant has the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of Schlumberger to procure a

judgment in the Registrant's favor by reason of the fact that such person is or was a director, officer, employee or agent of Schlumberger, or is or was serving at the request of the Registrant as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise or entity against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Registrant and except that no indemnification may be made in respect of any claim, issue or matter as to which such person has been finally adjudged to be liable to the Registrant for improper conduct unless and only to the extent that the court in which that action or suit was brought or any other court having appropriate jurisdiction determines upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for those expenses, judgments, fines and amounts paid in settlement which the court in which the action or suit was brought or such other court having appropriate jurisdiction deems proper. The Registrant is required to indemnify any present or former officer or director to the fullest extent allowed by this paragraph in the event of a Change in Control (as defined above).

To the extent that a present or former director or officer of the Registrant has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in the two preceding paragraphs, or in defense of any claim, issue or matter therein, the Registrant will indemnify that person against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

Any indemnification under the first two paragraphs in this item (unless ordered by a court) may be made by the Registrant only as authorized by contract approved, or by-laws, resolution or other action adopted or taken, by the board of directors or by the stockholders or as required by the last sentences of the first two paragraphs.

Expenses (including attorneys' fees) incurred by a present or former director or a present officer in defending any civil or criminal, administrative or investigative action, suit or proceeding will be paid by the Registrant in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if it is ultimately determined that such person is not entitled to be indemnified by the Registrant as authorized by Article V of the By-Laws or Article 10 of the Deed of Incorporation.

The Registrant may pay such expenses (including attorneys' fees) incurred by former officers or other employees and agents upon such terms and conditions, if any, it deems appropriate.

The indemnification and advancement of expenses provided by or granted pursuant to the other sections of Article V of the By-Laws and Article 10 of the Deed of Incorporation are not exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any law, by-law, agreement, vote of stockholders or disinterested directors, or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, and, unless otherwise provided when authorized or ratified, continues as to a person who has ceased to be a director, officer, employee or agent and inures to the benefit of the heirs, executors and administrators of that person.

The Registrant has the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of Schlumberger, or is or was serving at the request of the Registrant in such a capacity for another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against that person and incurred by that person in any of those capacities or arising out of such person's status as such, whether or not the Registrant would have the power to indemnify such person against such liability under the provisions of Article V of the By-Laws or Article 10 of the Deed of Incorporation.

For purposes of Article V of the By-Laws and Article 10 of the Deed of Incorporation, reference to the Registrant or Schlumberger includes, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence

had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, stands in the same position under the provisions of Article V of the By-Laws and Article 10 of the Deed of Incorporation with respect to the resulting or surviving corporation if its separate existence had continued.

For purposes of Article V of the By-Laws and Article 10 of the Deed of Incorporation, references to “other enterprises” includes employee benefit plans; references to “fines” includes any excise taxes assessed on a person with respect to any employee benefit plan; and references to “serving at the request of the Registrant” includes any service as a director, officer, employee or agent of Schlumberger which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner “not opposed to the best interests of the Registrant.”

In addition, the Registrant maintains directors’ and officers’ liability insurance which insures against certain liabilities that the officers and directors of Schlumberger may incur in such capacities.

ITEM 16. Exhibits

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
*4.1	Deed of Incorporation of Schlumberger N.V. (Schlumberger Limited) as last amended on May 4, 2001 (incorporated by reference to Exhibit 3(a) to Schlumberger's Form 10-Q for the quarter ended June 30, 2001).
*4.2	By-laws of Schlumberger N.V. (Schlumberger Limited) as last amended on April 17, 2003 (incorporated by reference to Exhibit 3 to Schlumberger's Form 8-K filed on April 17, 2003).
4.3	Indenture, dated as of June 9, 2003, by and between Schlumberger and Citibank, N.A., as trustee.
4.4	First Supplemental Indenture, dated as of June 9, 2003, by and between Schlumberger and Citibank, N.A., as trustee.
4.5	Registration Rights Agreement, dated as of June 9, 2003, by and between Schlumberger and the other parties thereto.
**5.1	Opinion of Ellen Summer, Esq. as to the legality of the securities being registered.
12.1	Computation of ratio of earnings to fixed charges.
23.1	Consent of PricewaterhouseCoopers LLP
**23.2	Consent of Ellen Summer, Esq. (included in Exhibit 5.1).
24.1	Powers of Attorney.
25.1	Form T-1 Statement of Eligibility of Trustee.

* Incorporated by reference as indicated.

** To be filed by amendment.

ITEM 17. Undertakings

(a) The Registrant hereby undertakes:

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

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

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

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

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

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

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

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

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers, and controlling persons of the registrant pursuant to the provisions described under Item 6 above, or otherwise, the registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer, or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

Signatures

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, the State of New York, on September 10, 2003.

SCHLUMBERGER N.V.
(Schlumberger Limited)

By: _____ /s/ JEAN-MARC PERRAUD

Jean-Marc Perraud
Executive Vice President and
Chief Financial Officer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons on September 10, 2003 in the capacities indicated.

<u>Signature</u>	<u>Title</u>
* _____	Director, Chairman and Chief Executive Officer
Andrew Gould /s/ JEAN-MARC PERRAUD _____	Executive Vice President and Chief Financial Officer
Jean-Marc Perraud /s/ FRANK A. SORGIE _____	Chief Accounting Officer
Frank A. Sorgie * _____	Director
John Deutch * _____	Director
Jamie S. Gorelick * _____	Director
Adrian Lajous * _____	Director
Tony Isaac * _____	Director
Didier Primat * _____	Director
Nicolas Seydoux * _____	Director
Linda G. Stuntz * _____	Director
Sven Ullring * _____	Director
Andre Levy-Lang	

*By: _____ /s/ ELLEN SUMMER
Ellen Summer, Attorney-in-Fact

SCHLUMBERGER LIMITED

as Issuer

and

CITIBANK, N.A.

as Trustee

Indenture

Dated as of June 9, 2003

Debt Securities

SCHLUMBERGER LIMITED

Reconciliation and tie between Trust Indenture Act of 1939
and Indenture, dated as of June 9, 2003

Section of
Trust Indenture
Act of 1939

Section(s) of
Indenture

(S) 310	(a) (1)	7.10
	(a) (2)	7.10
	(a) (3)	Not Applicable
	(a) (4)	Not Applicable
	(a) (5)	7.10
	(b)	7.08, 7.10
(S) 311	(a)	7.11
	(b)	7.11
	(c)	Not Applicable
(S) 312	(a)	2.07
	(b)	10.03
	(c)	10.03
(S) 313	(a)	7.06
	(b)	7.06
	(c)	7.06
	(d)	7.06
(S) 314	(a)	4.03, 4.04
	(b)	Not Applicable
	(c) (1)	10.04
	(c) (2)	10.04
	(c) (3)	Not Applicable
	(d)	Not Applicable
	(e)	10.05
(S) 315	(a)	7.01 (b)
	(b)	7.05
	(c)	7.01 (a)
	(d)	7.01 (c)
	(d) (1)	7.01 (c) (1)
	(d) (2)	7.01 (c) (2)
	(d) (3)	7.01 (c) (3)
	(e)	6.11
(S) 316	(a) (1) (A)	6.05
	(a) (1) (B)	6.04
	(a) (2)	Not Applicable

	(a) (last sentence).....	2.11
	(b).....	6.07
(S) 317	(a) (1).....	6.08
	(a) (2).....	6.09
	(b).....	2.06
(S) 318	(a).....	10.01

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

TABLE OF CONTENTS

	Page	
ARTICLE I	DEFINITIONS AND INCORPORATION BY REFERENCE	1
Section 1.01	Definitions	1
Section 1.02	Other Definitions	7
Section 1.03	Incorporation by Reference of Trust Indenture Act	7
Section 1.04	Rules of Construction	8
ARTICLE II	THE SECURITIES	8
Section 2.01	Amount Unlimited; Issuable in Series	8
Section 2.02	Denominations	11
Section 2.03	Forms Generally	11
Section 2.04	Execution, Authentication, Delivery and Dating	12
Section 2.05	Registrar and Paying Agent	14
Section 2.06	Paying Agent to Hold Money in Trust	14
Section 2.07	Holder Lists	14
Section 2.08	Transfer and Exchange	15
Section 2.09	Replacement Securities	15
Section 2.10	Outstanding Securities	16
Section 2.11	Original Issue Discount, Foreign-Currency Denominated and Treasury Securities	16
Section 2.12	Temporary Securities	16
Section 2.13	Cancellation	17
Section 2.14	Payments; Defaulted Interest	17
Section 2.15	Persons Deemed Owners	17
Section 2.16	Computation of Interest	18
Section 2.17	Global Securities; Book-Entry Provisions	18
Section 2.18	Form of Restricted Securities	20
Section 2.19	Restrictive Legends for Restricted Securities	21
Section 2.20	Special Transfer Provisions of the Restricted Securities	24
ARTICLE III	REDEMPTION	27
Section 3.01	Applicability of Article	27
Section 3.02	Notice to the Trustee	27
Section 3.03	Selection of Securities To Be Redeemed	28
Section 3.04	Notice of Redemption	28
Section 3.05	Effect of Notice of Redemption	29
Section 3.06	Deposit of Redemption Price	29
Section 3.07	Securities Redeemed or Purchased in Part	30
Section 3.08	Purchase of Securities	30
Section 3.09	Mandatory and Optional Sinking Funds	30
Section 3.10	Satisfaction of Sinking Fund Payments with Securities	30
Section 3.11	Redemption of Securities for Sinking Fund	31

ARTICLE IV	COVENANTS	31
Section 4.01	Payment of Securities	31
Section 4.02	Maintenance of Office or Agency	32
Section 4.03	SEC Reports; Financial Statements	32
Section 4.04	Compliance Certificate	33
Section 4.05	Existence	33
Section 4.06	Waiver of Stay, Extension or Usury Laws	33
Section 4.07	Additional Amounts	34
Section 4.08	Limitation on Liens	34
Section 4.09	Limitation on Sale and Leaseback Transactions	35
ARTICLE V	SUCCESSORS	36
Section 5.01	Limitations on Mergers and Consolidations	36
Section 5.02	Successor Person Substituted	37
ARTICLE VI	DEFAULTS AND REMEDIES	37
Section 6.01	Events of Default	37
Section 6.02	Acceleration	39
Section 6.03	Other Remedies	40
Section 6.04	Waiver of Defaults	40
Section 6.05	Control by Majority	41
Section 6.06	Limitations on Suits	41
Section 6.07	Rights of Holders to Receive Payment	41
Section 6.08	Collection Suit by Trustee	42
Section 6.09	Trustee May File Proofs of Claim	42
Section 6.10	Priorities	43
Section 6.11	Undertaking for Costs	43
Section 6.12	Right to Pursue Remedy	44
ARTICLE VII	TRUSTEE	44
Section 7.01	Duties of Trustee	44
Section 7.02	Rights of Trustee	45
Section 7.03	May Hold Securities	46
Section 7.04	Trustee's Disclaimer	46
Section 7.05	Notice of Defaults	46
Section 7.06	Reports by Trustee to Holders	47
Section 7.07	Compensation and Indemnity	47
Section 7.08	Replacement of Trustee	48
Section 7.09	Successor Trustee by Merger, etc.	50
Section 7.10	Eligibility; Disqualification	50
Section 7.11	Preferential Collection of Claims Against Company	50
ARTICLE VIII	DISCHARGE OF INDENTURE	50
Section 8.01	Termination of Company's Obligations	50
Section 8.02	Application of Trust Money	54
Section 8.03	Repayment to Company	54
Section 8.04	Reinstatement	55

ARTICLE IX	SUPPLEMENTAL INDENTURES AND AMENDMENTS	55
Section 9.01	Without Consent of Holders	55
Section 9.02	With Consent of Holders	56
Section 9.03	Compliance with Trust Indenture Act	58
Section 9.04	Revocation and Effect of Consents	58
Section 9.05	Notation on or Exchange of Securities	59
Section 9.06	Trustee to Sign Amendments, etc.	59
ARTICLE X	MISCELLANEOUS	59
Section 10.01	Trust Indenture Act Controls	59
Section 10.02	Notices	60
Section 10.03	Communication by Holders with Other Holders	61
Section 10.04	Certificate and Opinion as to Conditions Precedent	61
Section 10.05	Statements Required in Certificate or Opinion	61
Section 10.06	Rules by Trustee and Agents	62
Section 10.07	Legal Holidays	62
Section 10.08	No Recourse Against Others	62
Section 10.09	Governing Law	62
Section 10.10	No Adverse Interpretation of Other Agreements	62
Section 10.11	Successors	62
Section 10.12	Severability	62
Section 10.13	Counterpart Originals	63
Section 10.14	Table of Contents, Headings, etc.	63
Section 10.15	Jurisdiction; Waiver	63
ARTICLE XI	MEETINGS OF HOLDERS	63
Section 11.01	Purposes for Which Meetings May Be Called	63
Section 11.02	Call, Notice and Place of Meetings	64
Section 11.03	Persons Entitled to Vote at Meetings	64
Section 11.04	Quorum; Action	64
Section 11.05	Determination of Voting Rights; Conduct and Adjournment of Meetings	65
Section 11.06	Counting Votes and Recording Action of Meetings	66

INDENTURE dated as of June 9, 2003 between Schlumberger Limited (Schlumberger N.V.), a Netherlands Antilles corporation established in Curacao (the "Company"), and Citibank, N.A., a national banking association organized under the laws of the United States of America, as trustee (the "Trustee").

Each party agrees as follows for the benefit of the other party and for the equal and ratable benefit of the Holders of the Company's unsecured debentures, notes or other evidences of indebtedness (the "Securities") to be issued from time to time in one or more series as provided in this Indenture:

ARTICLE I

DEFINITIONS AND INCORPORATION BY REFERENCE

SECTION 1.01 Definitions.

"Additional Amounts" means any additional amounts required by the express terms of a Security or by or pursuant to a Board Resolution, under circumstances specified therein or pursuant thereto, to be paid by the Company with respect to certain taxes, assessments or other governmental charges imposed on certain Holders and that are owing to such Holders.

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

"Agent" means any Registrar or Paying Agent.

"Attributable Debt" means, as to any particular lease under which any Person is at the time liable, at any date as of which the amount thereof is to be determined, the total net amount of rent (discounted from the respective due dates thereof at the rate per annum set forth or implicit in the terms of such lease compounded semi-annually) required to be paid by such Person under such lease during the remaining term thereof. The net amount of rent required to be paid under any such lease for any such period shall be the total amount of the rent payable by the lessee with respect to such period, but may exclude amounts required to be paid on account of maintenance and repairs, insurance, taxes, assessments, water rates, utilities, operating and labor costs and similar charges. In the case of any lease which is terminable by the lessee upon the payment of a penalty, such net amount shall be the lesser of (i) the net amount determined assuming termination on the date termination is permitted, including the amount of such penalty, but no rent shall be considered as required to be paid under such lease subsequent to the date upon which it may be so terminated, and (ii) the net amount determined assuming no such termination.

"Bankruptcy Law" means Title 11 of the United States Code or any similar federal, state or foreign law for the relief of debtors.

"Board of Directors" means the Board of Directors of the Company or any committee thereof duly authorized, with respect to any particular matter, to act by or on behalf of the Board of Directors of the Company.

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

"Business Day" means any day that is not a Legal Holiday.

"Capital Lease Obligations" means any obligation under a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP; and the amount of Indebtedness represented by such obligation shall be the capitalized amount of such obligations determined in accordance with GAAP; and the stated maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty.

"Company" means the Person named as the "Company" in the first paragraph of this instrument until a successor Person shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Company" shall mean such successor Person; provided, however, that for purposes of any provision contained herein which is required by the TIA, "Company" shall also mean each other obligor (if any) on the Securities of a series.

"Company Order" and "Company Request" mean, respectively, a written order or request signed in the name of the Company by two Officers of the Company, and delivered to the Trustee.

"Consolidated Net Assets" means the total amount of assets appearing on the most recently prepared consolidated balance sheet of the Company and its consolidated subsidiaries at the end of a fiscal quarter of the Company, prepared in accordance with GAAP, after deducting therefrom (a) all current liabilities (excluding notes and loans payable, the current portion of long-term debt and capitalized lease obligations, any current liabilities which are by their terms extendible or renewable at the option of the obligor thereon to a time more than 12 months after the time as of which the amount thereof is being computed) and (b) total prepaid expenses and deferred charges.

"Corporate Trust Office" of the Trustee means the office of the Trustee located at 111 Wall Street, 14th Floor, New York, New York 10005, attention: Nancy Forte, and as may be located at such other address as the Trustee may give notice to the Company.

"Debt" means all notes, bonds, debentures or other similar evidences of debt for money borrowed.

"Default" means any event, act or condition that is, or after notice or the passage of time or both would be, an Event of Default.

"deliver" or "delivery" means, in the context of certificated Securities, actual physical delivery of the certificate Securities to the relevant Person required hereunder, together

with all endorsements, and in the context of Global Securities, the designation on the records of the Depositary of a change in the interests of a holder in a Debenture.

"Depositary" means, with respect to the Securities of any series issuable or issued in whole or in part in global form, the Person specified pursuant to Section 2.01(3) hereof as the initial Depositary with respect to the Securities of such series, until a successor shall have been appointed and become such pursuant to the applicable provision of this Indenture, and thereafter "Depositary" shall mean or include such successor.

"Distribution Compliance Period" shall be determined in accordance with Regulation S.

"Dollar" or "\$" means a dollar or other equivalent unit in such coin or currency of the United States as at the time shall be legal tender for the payment of public and private debt.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and any successor statute.

"Funded Debt" means all Debt having a maturity of more than 12 months from the date as of which the amount thereof is to be determined or having a maturity of less than 12 months but by its terms being renewable or extendible beyond 12 months from such date at the option of the obligor thereon.

"GAAP" means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession of the United States, as in effect from time to time.

"Global Security" means a Security that is issued in global form in the name of the Depositary with respect thereto or its nominee.

"Government Obligations" means, with respect to a series of Securities, direct obligations of the government that issues the currency in which the Securities of the series are payable for the payment of which the full faith and credit of such government is pledged, or obligations of a Person controlled or supervised by and acting as an agency or instrumentality of such government, the payment of which is unconditionally guaranteed as a full faith and credit obligation by such government.

"Holder" means a Person in whose name a Security is registered.

"Indebtedness" means (i) all obligations for borrowed money, (ii) all obligations evidenced by debentures, notes or other similar instruments, (iii) all obligations in respect of letters of credit or bankers acceptances or similar instruments (or reimbursement obligations with respect thereto), (iv) all obligations to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (v) Capital Lease Obligations and (vii) all Indebtedness of others guaranteed by the Company or any of its

Significant Subsidiaries or for which the Company or any of its property, or such Significant Subsidiary or any of its property, is legally responsible or liable (whether by agreement to purchase indebtedness of, or to supply funds or to invest in, others).

"Indenture" means this Indenture as amended or supplemented from time to time, and includes the terms of a particular series of Securities established as contemplated by Section 2.01.

"interest" means, with respect to an Original Issue Discount Security that by its terms bears interest only after Maturity, interest payable after Maturity.

"Interest Payment Date," when used with respect to any Security, shall have the meaning assigned to such term in the Security as contemplated by Section 2.01.

"Issue Date" means, with respect to Securities of a series, the date on which the Securities of such series are originally issued under this Indenture.

"Legal Holiday" means a Saturday, a Sunday or a day on which banking institutions in any of The City of New York, New York or a Place of Payment are authorized or obligated by law, regulation or executive order to remain closed.

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

"Mortgage" means any mortgage, pledge, lien, security interest, conditional sale or other title retention agreement or other similar encumbrance.

"Non-U.S. Person" means any Person who is not a "U.S. person" as such term is defined in Rule 902(k) of Regulation S under the Securities Act.

"Officer" means the Chairman of the Board, the President, any Vice Chairman of the Board, any Vice President, the Chief Financial Officer, Chief Accounting Officer, the Treasurer, any Assistant Treasurer, the Controller, the Secretary or any Assistant Secretary of a Person.

"Officers' Certificate" means a certificate signed by two Officers of a Person.

"Opinion of Counsel" means a written opinion from legal counsel who is acceptable to the Trustee. Such counsel may be an employee of or counsel to the Company or the Trustee.

"Original Issue Discount Security" means any Security that provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 6.02.

"Person" means any individual, corporation, partnership, limited liability company, association, joint venture, trust, joint stock company or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Place of Payment" means, with respect to the Securities of any series, the place or places where the principal of, premium (if any) on and interest on the Securities of that series are payable as specified in accordance with Section 2.01 subject to the provisions of Section 4.02.

"principal" of a Security means the principal of the Security plus, when appropriate, the premium, if any, on the Security.

"Private Placement Legend" means the legend initially set forth on the Securities in the form set forth in Section 2.19.

"Redemption Date" means, with respect to any Security to be redeemed, the date fixed for such redemption pursuant to this Indenture.

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

"Regulation S" means Regulation S under the Securities Act and any successor rule or regulation.

"Restricted Property" means any manufacturing plant or research facility located in the United States, except any manufacturing plant or research facility, or any portion thereof, which, in the opinion of the Board of Directors, is not a principal plant or facility in relation to the activities of the Company and its Restricted Subsidiaries as a whole.

"Restricted Subsidiary" means any Subsidiary that owns a Restricted Property if substantially all of the tangible property in which such Subsidiary has an interest is located in the United States.

"Restricted Securities" means Securities of a series designated pursuant to Section 2.01 as subject to the provisions of Section 2.18, 2.19 and 2.20.

"Rule 144A" means Rule 144A under the Securities Act, as it may be amended from time to time, and any successor provision.

"Rule 144A Securities" means Securities of a series designated pursuant to Section 2.01 as entitled to the benefits of Section 4.03(b).

"SEC" means the Securities and Exchange Commission.

"Securities" has the meaning stated in the preamble of this Indenture and more particularly means any Securities authenticated and delivered under this Indenture.

"Securities Act" means the Securities Act of 1933, as amended, and any successor statute.

"Security Custodian" means, with respect to Securities of a series, the Trustee for Securities of such series, as custodian with respect to the Securities of such series issued in global form, or any successor entity thereto.

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

"Significant Subsidiary" means any Subsidiary that would be a "Significant Subsidiary" of the Company within the meaning of Rule 1-02 of Regulation S-X under the Securities Act.

"Subsidiary" means a corporation at least a majority of the outstanding voting stock of which is owned, directly or indirectly, by the Company or by one or more other Subsidiaries, or by the Company and one or more other Subsidiaries. For the purposes of this definition, "voting stock" means stock having voting power for the election of directors, whether at all times or only so long as no senior class of stock has such voting power by reason of any contingency.

"surrender" shall have the same meaning as "deliver" in the context of the surrender of a Debenture.

"TIA" means the Trust Indenture Act of 1939, as amended (15 U.S.C. (S) (S) 77aaa-77bbb), as in effect on the date hereof.

"Trust Officer" means any officer or assistant officer of the Trustee assigned by the Trustee to administer its corporate trust matters.

"Trustee" means the Person named as such above until a successor replaces it in accordance with the applicable provisions of this Indenture, and thereafter "Trustee" means each Person who is then a Trustee hereunder, and if at any time there is more than one such Person, "Trustee" as used with respect to the Securities of any series means the Trustee with respect to Securities of that series.

"United States" means the United States of America (including the States and the District of Columbia) and its "possessions," which include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands.

"U.S. Government Obligations" means Government Obligations with respect to Securities payable in Dollars.

SECTION 1.02 Other Definitions.

Term -----	Defined in Section -----
"Agent Member".....	2.17
"Bankruptcy Custodian".....	6.01
"Conversion Event".....	6.01
"covenant defeasance".....	8.01
"Event of Default".....	6.01
"Exchange Rate".....	2.11
"IAI".....	2.18
"IAI Certificate".....	2.20
"Judgment Currency".....	6.10
"legal defeasance".....	8.01
"mandatory sinking fund payment".....	3.09
"Net Proceeds".....	4.09
"Offshore Certificate".....	2.18
"Offshore Global Securities".....	2.18
"Offshore Physical Securities".....	2.18
"optional sinking fund payment".....	3.09
"Paying Agent".....	2.05
"Permanent Offshore Global Securities".....	2.18
"Physical Securities".....	2.18
"QIB".....	2.18
"Registrar".....	2.05
"Regulation S Certificate".....	2.20
"Regulation S Securities".....	2.18
"Required Currency".....	6.10
"Sale and Leaseback Transaction".....	4.09
"Successor".....	5.01
"Temporary Offshore Global Securities".....	2.18
"U.S. Global Securities".....	2.18
"U.S. Physical Securities".....	2.18

SECTION 1.03 Incorporation by Reference of Trust Indenture Act.

Whenever this Indenture refers to a provision of the TIA, the provision is incorporated by reference in and made a part of this Indenture (and if the Indenture is not qualified under the TIA at the time, as if it were so qualified unless otherwise provided). The following TIA terms used in this Indenture have the following meanings:

- "Commission" means the SEC.
- "indenture securities" means the Securities.
- "indenture security holder" means a Holder.

"indenture to be qualified" means this Indenture.

"indenture trustee" or "institutional trustee" means the Trustee.

"obligor" on the indenture securities means the Company or any other obligor on the Securities.

All terms used in this Indenture that are defined by the TIA, defined by a TIA reference to another statute or defined by an SEC rule under the TIA have the meanings so assigned to them.

SECTION 1.04 Rules of Construction.

Unless the context otherwise requires:

- (1) a term has the meaning assigned to it;
- (2) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;
- (3) "or" is not exclusive;
- (4) words in the singular include the plural, and in the plural include the singular;
- (5) provisions apply to successive events and transactions; and
- (6) all references in this instrument to Articles and Sections are references to the corresponding Articles and Sections in and of this instrument.

ARTICLE II

THE SECURITIES

SECTION 2.01 Amount Unlimited; Issuable in Series.

The aggregate principal amount of Securities that may be authenticated and delivered under this Indenture is unlimited.

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

- (1) the title of the Securities of the series (which shall distinguish the Securities of the series from the Securities of all other series);
- (2) if there is to be a limit, the limit upon the aggregate principal amount of the Securities of the series that may be authenticated and delivered under this Indenture

(except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of the series pursuant to Section 2.08, 2.09, 2.12, 2.17, 3.07 or 9.05 and except for any Securities that, pursuant to Section 2.04 or 2.17, are deemed never to have been authenticated and delivered hereunder); provided, however, that unless otherwise provided in the terms of the series, the authorized aggregate principal amount of such series may be increased before or after the issuance of any Securities of the series by a Board Resolution (or action pursuant to a Board Resolution) to such effect;

(3) whether any Securities of the series are to be issuable initially in temporary global form and whether any Securities of the series are to be issuable in permanent global form, as Global Securities or otherwise, and, if so, whether beneficial owners of interests in any such Global Security may exchange such interests for Securities of such series and of like tenor of any authorized form and denomination and the circumstances under which any such exchanges may occur, if other than in the manner provided in Section 2.17, and the initial Depository and Security Custodian, if any, for any Global Security or Securities of such series;

(4) the manner in which any interest payable on a temporary Global Security on any Interest Payment Date will be paid if other than in the manner provided in Section 2.14;

(5) the date or dates on which the principal of (and premium, if any, on) the Securities of the series is payable or the method of determination thereof;

(6) the rate or rates, or the method of determination thereof, at which the Securities of the series shall bear interest, if any, whether and under what circumstances Additional Amounts with respect to such Securities shall be payable, the date or dates from which such interest shall accrue, the Interest Payment Dates on which such interest shall be payable and the record date for the interest payable on any Securities on any Interest Payment Date, or if other than provided herein, the Person to whom any interest on Securities of the series shall be payable;

(7) the place or places where, subject to the provisions of Section 4.02, the principal, premium (if any), interest and any Additional Amounts with respect to the Securities of the series shall be payable;

(8) the period or periods within which, the price or prices (whether denominated in cash, securities or otherwise) at which and the terms and conditions upon which Securities of the series may be redeemed, in whole or in part, at the option of the Company, if the Company is to have that option, and the manner in which the Company must exercise any such option, if different from those set forth herein;

(9) the obligation, if any, of the Company to redeem, purchase or repay Securities of the series pursuant to any sinking fund or analogous provisions or at the option of a Holder thereof and the period or periods within which, the price or prices (whether denominated in cash, securities or otherwise) at which and the terms and

conditions upon which Securities of the series shall be redeemed, purchased or repaid in whole or in part pursuant to such obligation;

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

(11) if other than Dollars, the currency or currencies (including composite currencies) or the form, including equity securities, other debt securities (including Securities), warrants or any other securities or property of the Company or any other Person, in which payment of the principal, premium (if any), interest and any Additional Amounts with respect to the Securities of the series shall be payable;

(12) if the principal of, premium (if any) or interest on or any Additional Amounts with respect to the Securities of the series are to be payable, at the election of the Company or a Holder thereof, in a currency or currencies (including composite currencies) other than that in which the Securities are stated to be payable, the currency or currencies (including composite currencies) in which payment of the principal, premium (if any), interest and any Additional Amounts with respect to Securities of such series as to which such election is made shall be payable, and the periods within which and the terms and conditions upon which such election is to be made;

(13) if the amount of payments of principal, premium (if any), interest and any Additional Amounts with respect to the Securities of the series may be determined with reference to any commodities, currencies or indices, values, rates or prices or any other index or formula, the manner in which such amounts shall be determined;

(14) if other than the entire principal amount thereof, the portion of the principal amount of Securities of the series that shall be payable upon declaration of acceleration of the Maturity thereof pursuant to Section 6.02;

(15) any additional means of satisfaction and discharge of this Indenture and any additional conditions or limitations to discharge with respect to Securities of the series pursuant to Article VIII or any modifications of or deletions from such conditions or limitations;

(16) any deletions or modifications of or additions to the Events of Default set forth in Section 6.01 or covenants of the Company set forth in Article IV pertaining to the Securities of the series;

(17) any restrictions or other provisions with respect to the transfer or exchange of Securities of the series, which may amend, supplement, modify or supersede those contained in this Article II;

(18) if the Securities of the series are to be convertible into or exchangeable for capital stock, other debt securities (including Securities), warrants, other equity securities or any other securities or property of the Company or any other Person, at the option of the Company or the Holder or upon the occurrence of any condition or event, the terms and conditions for such conversion or exchange;

(19) whether the Securities of the series are to be entitled to the benefit of Section 4.03(b) and accordingly constitute Rule 144A Securities for the purposes of such Section;

(20) whether the Securities of the series are to be subject to the provisions of Sections 2.18, 2.19 and 2.20, and if so, any deletions or modification of, or additions to, such Sections and the forms of the Offshore Certificate, the IAI Certificate and the Regulation S Certificate; and

(21) any other terms of the series (which terms shall not be prohibited by the provisions of this Indenture).

All Securities of any one series shall be substantially identical except as to denomination and except as may otherwise be provided in or pursuant to the Board Resolution referred to above and (subject to Section 2.03) set forth, or determined in the manner provided, in the Officers' Certificate or Company Order referred to above or in any such indenture supplemental hereto.

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

SECTION 2.02 Denominations.

The Securities of each series shall be issuable in such denominations as shall be specified as contemplated by Section 2.01. In the absence of any such provisions with respect to the Securities of any series, the Securities of such series denominated in Dollars shall be issuable in denominations of \$1,000 and any integral multiples thereof.

SECTION 2.03 Forms Generally.

The Securities of each series shall be in fully registered form and in substantially such form or forms (including temporary or permanent global form) established by or pursuant to a Board Resolution or in one or more indentures supplemental hereto. The Securities may have notations, legends or endorsements required by law, securities exchange rule, the Company's articles of incorporation, bylaws or other similar governing documents, agreements to which the Company is subject, if any, or usage (provided that any such notation, legend or endorsement is in a form acceptable to the Company). A copy of the Board Resolution establishing the form or forms of Securities of any series shall be delivered to the Trustee at or prior to the delivery of the Company Order contemplated by Section 2.04 for the authentication and delivery of such Securities.

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

The Trustee's certificate of authentication shall be in substantially the following form:

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

CITIBANK, N.A., as Trustee

By: _____
Authorized Officer".

SECTION 2.04 Execution, Authentication, Delivery and Dating.

Two Officers of the Company shall sign the Securities on behalf of the Company by manual or facsimile signature. The Company's seal, if any, shall be impressed, affixed, imprinted or reproduced on the Securities and may be in facsimile form.

If an Officer of the Company whose signature is on a Security no longer holds that office at the time the Security is authenticated, the Security shall be valid nevertheless.

A Security shall not be entitled to any benefit under this Indenture or be valid or obligatory for any purpose until authenticated by the manual signature of an authorized signatory of the Trustee, which signature shall be conclusive evidence that the Security has been authenticated under this Indenture. Notwithstanding the foregoing, if any Security has been authenticated and delivered hereunder but never issued and sold by the Company, and the Company delivers such Security to the Trustee for cancellation as provided in Section 2.13, together with a written statement from an Officer of the Company (which need not comply with Section 10.05 and need not be accompanied by an Opinion of Counsel) stating that such Security has never been issued and sold by the Company, for all purposes of this Indenture such Security shall be deemed never to have been authenticated and delivered hereunder and shall never be entitled to the benefits of this Indenture.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Securities of any series executed by the Company to the Trustee for authentication, and the Trustee shall authenticate and deliver such Securities for original issue upon a Company Order for the authentication and delivery of such Securities or pursuant to such procedures acceptable to the Trustee as may be specified from time to time by Company Order. Such order shall specify the amount of the Securities to be authenticated, the date on which the original issue of Securities is to be authenticated, the name or names of the initial Holder or Holders and any other terms of the Securities of such series not otherwise determined. If provided for in such procedures, such Company Order may authorize (1) authentication and delivery of Securities of such series for original issue from time to time, with certain terms (including, without limitation, the Maturity dates or dates, original issue date or dates and interest rate or rates) that differ from Security to Security and (2) if acceptable to the Trustee, may authorize authentication and delivery pursuant to oral or electronic instructions from the Company or its duly authorized agent, which instructions shall be promptly confirmed in writing.

If the form or terms of the Securities of the series have been established in or pursuant to one or more Board Resolutions as permitted by Section 2.01, in authenticating such Securities, and accepting the additional responsibilities under this Indenture in relation to such Securities, the Trustee shall be entitled to receive (in addition to the Company Order referred to above and the other documents required by Section 10.04), and (subject to Section 7.01) shall be fully protected in relying upon,

(a) an Officers' Certificate setting forth the Board Resolution and, if applicable, an appropriate record of any action taken pursuant thereto, as contemplated by the last paragraph of Section 2.01; or

(b) an Opinion of Counsel to the effect that:

(i) the form of such Securities has been established in conformity with the provisions of this Indenture;

(ii) the terms of such Securities have been established in conformity with the provisions of this Indenture; and

(iii) that such Securities, when authenticated and delivered by the Trustee and issued by the Company in the manner and subject to any conditions specified in such Opinion of Counsel, will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws in effect from time to time affecting the rights of creditors generally, and the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

If all the Securities of any series are not to be issued at one time, it shall not be necessary to deliver an Officers' Certificate and Opinion of Counsel at the time of issuance of each such Security, but such Officers' Certificate and Opinion of Counsel shall be delivered at or before the time of issuance of the first Security of the series to be issued.

The Trustee shall not be required to authenticate such Securities if the issuance of such Securities pursuant to this Indenture would affect the Trustee's own rights, duties or immunities under the Securities and this Indenture or otherwise in a manner not reasonably acceptable to the Trustee.

The Trustee may appoint an authenticating agent reasonably acceptable to the Company to authenticate Securities. Unless limited by the terms of such appointment, an authenticating agent may authenticate Securities whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with the Company or an Affiliate of the Company.

Each Security shall be dated the date of its authentication.

SECTION 2.05 Registrar and Paying Agent.

The Company shall maintain an office or agency for each series of Securities where Securities of such series may be presented for registration of transfer or exchange ("Registrar") and an office or agency where Securities of such series may be presented for payment ("Paying Agent"). The Registrar shall keep a register of the Securities of such series and of their transfer and exchange. The Company may appoint one or more co-registrars and one or more additional paying agents. The term "Registrar" includes any co-registrar and the term "Paying Agent" includes any additional paying agent.

The Company shall enter into an appropriate agency agreement with any Registrar or Paying Agent not a party to this Indenture. The agreement shall implement the provisions of this Indenture that relate to such Agent. The Company shall notify the Trustee of the name and address of any Agent not a party to this Indenture. The Company may change any Paying Agent or Registrar without notice to any Holder. If the Company fails to appoint or maintain another entity as Registrar or Paying Agent, the Trustee shall act as such. The Company or any of its Subsidiaries may act as Paying Agent or Registrar.

The Company initially appoints the Trustee as Registrar and Paying Agent.

SECTION 2.06 Paying Agent to Hold Money in Trust.

The Company shall require each Paying Agent other than the Trustee to agree in writing that the Paying Agent will hold in trust for the benefit of Holders or the Trustee all money held by the Paying Agent for the payment of principal of, premium, if any, or interest on or any Additional Amounts with respect to Securities and will notify the Trustee of any default by the Company in making any such payment. While any such default continues, the Trustee may require a Paying Agent to pay all money held by it to the Trustee and to account for any funds disbursed. The Company at any time may require a Paying Agent to pay all money held by it to the Trustee and to account for any funds disbursed. Upon payment over to the Trustee and upon accounting for any funds disbursed, the Paying Agent (if other than the Company or a Subsidiary of the Company) shall have no further liability for the money. If the Company or a Subsidiary of the Company acts as Paying Agent, it shall segregate and hold in a separate trust fund for the benefit of the Holders all money held by it as Paying Agent. Each Paying Agent shall otherwise comply with TIA (S) 317(b).

SECTION 2.07 Holder Lists.

The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Holders and shall otherwise comply with TIA (S) 312(a). If the Trustee is not the Registrar with respect to a series of Securities, the Company shall furnish to the Trustee at least five Business Days before each Interest Payment Date with respect to such series of Securities, and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of Holders of such series, and the Company shall otherwise comply with TIA (S) 312(a).

SECTION 2.08 Transfer and Exchange.

Except as set forth in Section 2.17 or as may be provided pursuant to Section 2.01:

When Securities of any series are presented to the Registrar with the request to register the transfer of such Securities or to exchange such Securities for an equal principal amount of Securities of the same series of like tenor and of other authorized denominations, the Registrar shall register the transfer or make the exchange as requested if its requirements and the requirements of this Indenture for such transactions are met; provided, however, that the Securities presented or surrendered for registration of transfer or exchange shall be duly endorsed or accompanied by a written instruction of transfer in form reasonably satisfactory to the Registrar duly executed by the Holder thereof or by his attorney, duly authorized in writing, on which instruction the Registrar can rely.

To permit registrations of transfers and exchanges, the Company shall execute and the Trustee shall authenticate Securities at the Registrar's written request and submission of the Securities. No service charge shall be made to a Holder for any registration of transfer or exchange (except as otherwise expressly permitted herein), but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than such transfer tax or similar governmental charge payable upon exchanges pursuant to Section 2.12, 3.07 or 9.05). The Trustee shall authenticate Securities in accordance with the provisions of Section 2.04. Notwithstanding any other provisions of this Indenture to the contrary, the Company shall not be required to register the transfer or exchange of (a) any Security selected for redemption in whole or in part pursuant to Article III, except the unredeemed portion of any Security being redeemed in part, or (b) any Security during the period beginning 15 Business Days before the mailing of notice of any offer to repurchase Securities of the series required pursuant to the terms thereof or of redemption of Securities of a series to be redeemed and ending at the close of business on the date of mailing.

SECTION 2.09 Replacement Securities.

If any mutilated Security is surrendered to the Trustee, or if the Holder of a Security claims that the Security has been destroyed, lost or stolen and the Company and the Trustee receive evidence to their satisfaction of the destruction, loss or theft of such Security, the Company shall issue and the Trustee shall authenticate a replacement Security of the same series if the Trustee's requirements are met. If any such mutilated, destroyed, lost or stolen Security has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Security, pay such Security. If required by the Trustee or the Company, such Holder must furnish an indemnity bond that is sufficient in the judgment of the Trustee and the Company to protect the Company, the Trustee, any Agent or any authenticating agent from any loss that any of them may suffer if a Security is replaced. The Company and the Trustee may charge a Holder for their expenses in replacing a Security.

Every replacement Security is an additional obligation of the Company.

SECTION 2.10 Outstanding Securities.

The Securities outstanding at any time are all the Securities authenticated by the Trustee except for those canceled by it, those delivered to it for cancellation, those reductions in the interest in a Global Security effected by the Trustee hereunder and those described in this Section 2.10 as not outstanding.

If a Security is replaced pursuant to Section 2.09, it ceases to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Security is held by a bona fide purchaser.

If the principal amount of any Security is considered paid under Section 4.01, it ceases to be outstanding and interest on it ceases to accrue.

A Security does not cease to be outstanding because the Company or an Affiliate of the Company holds the Security.

SECTION 2.11 Original Issue Discount, Foreign-Currency Denominated and Treasury Securities.

In determining whether the Holders of the required principal amount of Securities have concurred in any direction, amendment, supplement, waiver or consent, (a) the principal amount of an Original Issue Discount Security shall be the principal amount thereof that would be due and payable as of the date of such determination upon acceleration of the Maturity thereof pursuant to Section 6.02, (b) the principal amount of a Security denominated in a foreign currency shall be the Dollar equivalent, as determined by the Company by reference to the noon buying rate in The City of New York, New York for cable transfers for such currency, as such rate is certified for customs purposes by the Federal Reserve Bank of New York (the "Exchange Rate") on the date of original issuance of such Security, of the principal amount (or, in the case of an Original Issue Discount Security, the Dollar equivalent, as determined by the Company by reference to the Exchange Rate on the date of original issuance of such Security, of the amount determined as provided in (a) above), of such Security and (c) Securities owned by the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor shall be disregarded, except that, for the purpose of determining whether the Trustee shall be protected in relying upon any such direction, amendment, supplement, waiver or consent, only Securities that the Trustee actually knows are so owned shall be so disregarded.

SECTION 2.12 Temporary Securities.

Until definitive Securities of any series are ready for delivery, the Company may prepare and the Trustee shall authenticate temporary Securities. Temporary Securities shall be substantially in the form of definitive Securities, but may have variations that the Company considers appropriate for temporary Securities. Without unreasonable delay, the Company shall prepare and the Trustee shall authenticate definitive Securities in exchange for temporary Securities. Until so exchanged, the temporary Securities shall in all respects be entitled to the same benefits under this Indenture as definitive Securities.

SECTION 2.13 Cancellation.

The Company at any time may deliver Securities to the Trustee for cancellation. The Registrar and the Paying Agent shall forward to the Trustee any Securities surrendered to them for registration of transfer, exchange, payment or redemption or for credit against any sinking fund payment. The Trustee shall cancel all Securities properly surrendered for registration of transfer, exchange, payment, redemption, replacement or cancellation or for credit against any sinking fund. Unless the Company shall direct in writing that canceled Securities be returned to it, all canceled Securities held by the Trustee shall be disposed of in accordance with the usual disposal procedures of the Trustee, and the Trustee shall maintain a record of their disposal. The Company may not issue new Securities to replace Securities that have been paid or that have been delivered to the Trustee for cancellation.

SECTION 2.14 Payments; Defaulted Interest.

Unless otherwise provided as contemplated by Section 2.01, interest (except defaulted interest) on any Security that is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Persons who are registered Holders of that Security at the close of business on the record date next preceding such Interest Payment Date, even if such Securities are canceled after such record date and on or before such Interest Payment Date. If certificated, the Holder must surrender the Security to a Paying Agent to collect principal payments. Unless otherwise provided with respect to the Securities of any series, the Company will pay the principal of, premium (if any) and interest on and any Additional Amounts with respect to the Securities in Dollars. Such amounts shall be payable at the offices of the Trustee, provided that at the option of the Company, the Company may pay such amounts (1) by wire transfer with respect to Global Securities or (2) by check payable in such money mailed to a Holder's registered address with respect to any Securities. The Trustee shall not be bound to make payment until it is satisfied that full payment has been received from the Company.

If the Company defaults in a payment of interest on the Securities, it shall pay the defaulted interest in any lawful manner plus, to the extent lawful, interest on the defaulted interest, in each case at the rate provided in the Securities and in Section 4.01. The Company may pay the defaulted interest to the Persons who are Holders on a subsequent special record date. At least 15 days before any special record date selected by the Company, the Company (or the Trustee, in the name of and at the expense of the Company upon 20 days' prior written notice from the Company setting forth such special record date and the interest amount to be paid) shall mail to Holders a notice that states the special record date, the related payment date and the amount of such interest to be paid.

SECTION 2.15 Persons Deemed Owners.

The Company, the Trustee, any Agent and any authenticating agent may treat the Person in whose name any Security is registered as the owner of such Security for the purpose of receiving payments of principal of, premium (if any) or interest on or any Additional Amounts with respect to such Security and for all other purposes. None of the Company, the Trustee, any Agent or any authenticating agent shall be affected by any notice to the contrary.

SECTION 2.16 Computation of Interest.

Except as otherwise specified as contemplated by Section 2.01 for Securities of any series, interest on the Securities of each series shall be computed on the basis of a year comprising twelve 30-day months.

SECTION 2.17 Global Securities; Book-Entry Provisions.

If Securities of a series are issuable in global form as a Global Security, as contemplated by Section 2.01, then, notwithstanding clause (10) of Section 2.01 and the provisions of Section 2.02, any such Global Security shall represent such of the outstanding Securities of such series as shall be specified therein and may provide that it shall represent the aggregate amount of outstanding Securities from time to time endorsed thereon and that the aggregate amount of outstanding Securities represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges or redemptions. Any endorsement of a Global Security to reflect the amount, or any increase or decrease in the amount, of outstanding Securities represented thereby shall be made by the Trustee (i) in such manner and upon instructions given by such Person or Persons as shall be specified in such Security or in a Company Order to be delivered to the Trustee pursuant to Section 2.04 or (ii) otherwise in accordance with written instructions or such other written form of instructions as is customary for the Depository for such Security, from such Depository or its nominee on behalf of any Person having a beneficial interest in such Global Security. Subject to the provisions of Section 2.04 and, if applicable, Section 2.12, the Trustee shall deliver and redeliver any Security in permanent global form in the manner and upon instructions given by the Person or Persons specified in such Security or in the applicable Company Order. With respect to the Securities of any series that are represented by a Global Security, the Company authorizes the execution and delivery by the Trustee of a letter of representations or other similar agreement or instrument in the form customarily provided for by the Depository appointed with respect to such Global Security. Any Global Security may be deposited with the Depository or its nominee, or may remain in the custody of the Trustee or the Security Custodian therefor pursuant to a FAST Balance Certificate Agreement or similar agreement between the Trustee and the Depository. If a Company Order has been, or simultaneously is, delivered, any instructions by the Company with respect to endorsement or delivery or redelivery of a Security in global form shall be in writing but need not comply with Section 10.05 and need not be accompanied by an Opinion of Counsel.

Members of, or participants in, the Depository ("Agent Members") shall have no rights under this Indenture with respect to any Global Security held on their behalf by the Depository, or the Trustee or the Security Custodian as its custodian, or under such Global Security and the Depository may be treated by the Company, the Trustee or the Security Custodian and any agent of the Company, the Trustee or the Security Custodian as the absolute owner of such Global Security for all purposes whatsoever. Notwithstanding the foregoing, (i) the registered holder of a Global Security may grant proxies and otherwise authorize any Person, including Agent Members and Persons that may hold interests through Agent Members, to take any action that a Holder is entitled to take under this Indenture or the Securities and (ii) nothing herein shall prevent the Company, the Trustee or the Security Custodian, or any agent of the Company, the Trustee or the Security Custodian, from giving effect to any written certification,

proxy or other authorization furnished by the Depositary or shall impair, as between the Depositary and its Agent Members, the operation of customary practices governing the exercise of the rights of a beneficial owner of any Security.

Notwithstanding Section 2.08, and except as otherwise provided pursuant to Section 2.01: Transfers of a Global Security shall be limited to transfers of such Global Security in whole, but not in part, to the Depositary, its successors or their respective nominees. Interests of beneficial owners in a Global Security may be transferred in accordance with the rules and procedures of the Depositary. Securities shall be transferred to all beneficial owners in exchange for their beneficial interests in a Global Security if, and only if, either (1) the Depositary notifies the Company that it is unwilling or unable to continue as Depositary for the Global Security and a successor Depositary is not appointed by the Company within 90 days of such notice, (2) an Event of Default has occurred with respect to such series and is continuing and the Registrar has received a request from the Depositary to issue Securities in lieu of all or a portion of the Global Security (in which case the Company shall deliver Securities within 30 days of such request) or (3) the Company determines not to have the Securities represented by a Global Security.

In connection with any transfer of a portion of the beneficial interest in a Global Security to beneficial owners pursuant to this Section 2.17, the Registrar shall reflect on its books and records the date and a decrease in the principal amount of the Global Security in an amount equal to the principal amount of the beneficial interest in the Global Security to be transferred, and the Company shall execute, and the Trustee upon receipt of a Company Order for the authentication and delivery of Securities shall authenticate and deliver, one or more Securities of the same series of like tenor and amount.

In connection with the transfer of all the beneficial interest in a Global Security to beneficial owners pursuant to this Section 2.17, the Global Security shall be deemed to be surrendered to the Trustee for cancellation, and the Company shall execute, and the Trustee shall, upon receipt of a Company Order, authenticate and deliver, to each beneficial owner identified by the Depositary in exchange for its beneficial interest in the Global Security, an equal aggregate principal amount of Securities of authorized denominations.

Neither the Company nor the Trustee will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, Securities by the Depositary, or for maintaining, supervising or reviewing any records of the Depositary relating to such Securities. Neither the Company nor the Trustee shall be liable for any delay by the related Global Security Holder or the Depositary in identifying the beneficial owners, and each such Person may conclusively rely on, and shall be protected in relying on, instructions from such Global Security Holder or the Depositary for all purposes (including with respect to the registration and delivery, and the respective principal amounts, of the Securities to be issued).

The provisions of the last sentence of the third paragraph of Section 2.04 shall apply to any Global Security if such Global Security was never issued and sold by the Company and the Company delivers to the Trustee the Global Security together with written instructions (which need not comply with Section 10.05 and need not be accompanied by an Opinion of Counsel) with regard to the cancellation or reduction in the principal amount of Securities

represented thereby, together with the written statement contemplated by the last sentence of the third paragraph of Section 2.04.

Notwithstanding the provisions of Sections 2.03 and 2.17, unless otherwise specified as contemplated by Section 2.01, payment of principal of, premium (if any) and interest on and any Additional Amounts with respect to any Global Security shall be made to the Depositary.

The Company in issuing the Securities may use CUSIP numbers (if then generally in use), and, if so, the Trustee shall use CUSIP numbers in notices of redemption as a convenience to Holders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Securities or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Securities, and any such redemption shall not be affected by any defect in or omission of such numbers. The Company will promptly notify the Trustee of any change in the CUSIP numbers.

Notwithstanding anything herein to the contrary, delivery or surrender of a Security shall not be required in the case of Global Securities in order to obtain the rights or benefits provided hereunder upon the delivery or surrender of a Security.

SECTION 2.18 Form of Restricted Securities.

Unless otherwise provided in an Officers' Certificate or in a Company Order establishing the terms of the Securities pursuant to Section 2.01, or established in one or more indentures supplemental hereto, Restricted Securities may be resold initially only (A) to "qualified institutional buyers", as defined in Rule 144A ("QIBs"), (B) to a limited number of other institutional "accredited investors", as defined in Rule 501(a)(1), (2), (3) and (7) of Regulation D under the Securities Act ("IAIs") and (C) in offshore transactions to Non-U.S. Persons in reliance on Regulation S under the Securities Act. Such Securities may thereafter be transferred to, among others, QIBs pursuant to Rule 144A, Non-U.S. Persons in reliance on Regulation S and pursuant to other exemptions from, or in transactions not subject to, the registration requirements of the Securities Act, including sales to IAIs that are not QIBs, in accordance with the procedure described herein.

Each Rule 144A Security offered and sold to QIBs will be issued on the Issue Date in the form of a permanent Global Security, without interest coupons, substantially in the form specified pursuant to Section 2.01, including appropriate legends as set forth in Section 2.19(a) and (c) (the "U.S. Global Securities"), registered in the name of the nominee of the Depositary, deposited with the Trustee, as custodian for the Depositary, duly executed by the Company and authenticated by the Trustee as hereinafter provided. The U.S. Global Securities may be represented by more than one certificate, if so required by the Depositary's rules regarding the maximum principal amount to be represented by a single certificate. The aggregate principal amount of the U.S. Global Securities may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for the Depositary or its nominee, as hereinafter provided.

Each series of Securities offered and sold in offshore transactions in reliance on Regulation S ("Regulation S Securities") shall be issued initially in the form of one or more temporary Global Securities in registered form, without interest coupons, substantially in the form specified pursuant to Section 2.01, including appropriate legends as set forth in Section 2.19(b) and (c) (the "Temporary Offshore Global Securities"), registered in the name of the nominee of the Depository, deposited with the Trustee, as custodian for the Depository, duly executed by the Company and authenticated by the Trustee as hereinafter provided. The aggregate principal amount of the Offshore Global Securities (as defined below) may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for the Depository or its nominee, as hereinafter provided. At any time after the termination of the Distribution Compliance Period, upon receipt by the Trustee and the Company of a certificate (the "Offshore Certificate") substantially in the form specified pursuant to Section 2.01, one or more permanent Global Securities in registered form substantially in the form specified pursuant to Section 2.01, including appropriate legends as set forth in Section 2.19(c) (the "Permanent Offshore Global Securities"; and together with the Temporary Offshore Global Securities, the "Offshore Global Securities") duly executed by the Company and authenticated by the Trustee as hereinafter provided shall be deposited with the Trustee, as custodian for the Depository or its nominee, and the Registrar shall reflect on its books and records the date and a decrease in the principal amount of the applicable Temporary Offshore Global Security in an amount equal to the principal amount of the beneficial interest in the applicable Temporary Offshore Global Security transferred in exchange for a beneficial interest in the applicable Permanent Offshore Global Security and a corresponding increase in the principal amount of the corresponding Permanent Offshore Global Security.

Securities offered and sold to IAIs and Securities issued pursuant to Section 2.17 in exchange for interests in the U.S. Global Securities shall be issued in the form of permanent certificated Securities in registered form, without interest coupons, in substantially the form specified pursuant to Section 2.01, including appropriate legends as set forth in Section 2.19(a) (the "U.S. Physical Securities").

Securities issued pursuant to Section 2.17 in exchange for interests in the Permanent Offshore Global Securities shall be in the form of permanent certificated Securities in registered form substantially in the form specified pursuant to Section 2.01 (the "Offshore Physical Securities").

The Offshore Physical Securities and U.S. Physical Securities are sometimes collectively herein referred to as the "Physical Securities."

SECTION 2.19 Restrictive Legends for Restricted Securities.

Unless otherwise provided in an Officers' Certificate or in a Company Order establishing the terms of the Securities pursuant to Section 2.01, or established in one or more indentures supplemental hereto, and unless and until a Restricted Security is sold in connection with an effective registration statement under the Securities Act or the Company determines to eliminate the use of any or all of the legends provided below, (A) the U.S. Global Securities shall bear the legends set forth in subparagraphs (a) and (c) below on the face thereof, (B) the U.S. Physical Securities shall bear the applicable legend set forth in subparagraph (a) below on the

face thereof, and (C) the Temporary Offshore Global Security shall bear the legends set forth in subparagraphs (b) and (c) below on the face thereof.

(a) THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS, AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), (B) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT) ("INSTITUTIONAL ACCREDITED INVESTOR") OR (C) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATIONS UNDER THE SECURITIES ACT; (2) AGREES THAT IT WILL NOT, PRIOR TO EXPIRATION OF THE HOLDING PERIOD APPLICABLE TO SALES OF THIS SECURITY UNDER RULE 144(k) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION), RESELL OR OTHERWISE TRANSFER THIS SECURITY EXCEPT (A) TO THE COMPANY OR ONE OF ITS SUBSIDIARIES, (B) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (C) INSIDE THE UNITED STATES TO AN INSTITUTIONAL ACCREDITED INVESTOR THAT, PRIOR TO SUCH TRANSFER, FURNISHES TO THE TRUSTEE A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS RELATING TO THE RESTRICTIONS ON TRANSFER OF THIS SECURITY (THE FORM OF WHICH LETTER CAN BE OBTAINED FROM THE TRUSTEE), (D) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), (E) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT (AND WHICH CONTINUES TO BE EFFECTIVE AT THE TIME OF SUCH TRANSFER) OR (F) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT AND (3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. IN CONNECTION WITH ANY TRANSFER OF THIS SECURITY PRIOR TO THE EXPIRATION OF THE HOLDING PERIOD APPLICABLE TO SALES OF THIS SECURITY UNDER RULE 144(k) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION), THE HOLDER MUST CHECK THE APPROPRIATE BOX SET FORTH ON THE REVERSE HEREOF RELATING TO THE MANNER OF SUCH TRANSFER AND SUBMIT THIS CERTIFICATE TO THE TRUSTEE. IF THE PROPOSED TRANSFEREE IS AN INSTITUTIONAL ACCREDITED INVESTOR OR IS A PURCHASER WHO IS NOT A U.S. PERSON, THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE TRUSTEE SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS IT MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THIS LEGEND WILL BE REMOVED UPON THE EARLIER OF THE TRANSFER OF THIS SECURITY PURSUANT TO CLAUSE 2(E) ABOVE OR UPON ANY TRANSFER OF THIS SECURITY UNDER RULE 144(k)

UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION). AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION," "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF ANY EXEMPTION PROVIDED BY RULE 144(k) UNDER THE SECURITIES ACT.

(b) THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U. S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS, AND, ACCORDINGLY, PRIOR TO THE EXPIRATION OF THE DISTRIBUTION COMPLIANCE PERIOD, THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED TO ANY U.S. PERSON OUTSIDE THE UNITED STATES OR ANY PERSON IN THE UNITED STATES. EACH HOLDER AND BENEFICIAL OWNER, BY ITS ACCEPTANCE OF THIS SECURITY, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING AND FOLLOWING RESTRICTIONS. THIS LEGEND WILL BE REMOVED AFTER THE END OF THE DISTRIBUTION COMPLIANCE PERIOD, AFTER WHICH THIS SECURITY SHALL NO LONGER BE SUBJECT TO THE RESTRICTIONS PROVIDED IN THIS LEGEND, PROVIDED THAT AT SUCH TIME AND THEREAFTER THE OFFER OR SALE OF THIS SECURITY WOULD NOT BE RESTRICTED UNDER ANY APPLICABLE SECURITIES LAWS OF THE UNITED STATES OR OF THE STATES OR TERRITORIES OF THE UNITED STATES. AS USED HEREIN, THE TERMS "DISTRIBUTION COMPLIANCE PERIOD," "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.

(c) Each Global Security shall bear the following legend on the face thereof:

"UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), 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 IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF."

SECTION 2.20 Special Transfer Provisions of the Restricted Securities.

Unless otherwise provided in an Officers' Certificate or in a Company Order establishing the terms of the Securities pursuant to Section 2.01, or established in one or more indentures supplemental hereto, and unless and until a Restricted Security is sold in connection with an effective registration statement under the Securities Act or the Company determines to terminate the applicability of any of the following provisions, the following provisions shall apply:

(a) Transfers to Non-QIB IAIs. The following provisions shall apply with respect to the registration of any proposed transfer of a Security or any beneficial interest therein to any IAI which is not a QIB (excluding Non-U.S. Persons):

(1) The Registrar shall register the transfer of any Security or beneficial interest therein, whether or not such Security bears the Private Placement Legend, if (x) the requested transfer is after the time period referred to in Rule 144(k) under the Securities Act or (y) the proposed transferee has delivered to the Registrar a certificate (the "IAI Certificate") substantially in the form specified pursuant to Section 2.01 and an Opinion of Counsel as to compliance with the Securities Act.

(2) If the proposed transferor is an Agent Member holding a beneficial interest in the U.S. Global Securities, upon receipt by the Registrar of (x) the documents, if any, required by paragraph (1) above and (y) instructions given in accordance with the Depositary's and the Registrar's procedures, the Registrar shall reflect on its books and records the date and a decrease in the principal amount of the U.S. Global Securities in an amount equal to the principal amount of the beneficial interest in the U.S. Global Securities to be transferred, and the Company shall execute, and the Trustee shall authenticate and deliver, one or more U.S. Physical Securities of like tenor and amount.

(b) Transfers to QIBs. The following provisions shall apply with respect to the registration of any proposed transfer of a Security or beneficial interest therein to a QIB (excluding Non-U.S. Persons):

(1) If the Security to be transferred consists of (x) U.S. Physical Securities, the Registrar shall register the transfer if such transfer is being made by a proposed transferor who has checked the box provided for on the form of Security stating, or has otherwise advised the Company and the Registrar in writing, that the sale has been made in compliance with the provisions of Rule 144A to a transferee who has signed the certification provided for on the form of Security stating, or has otherwise advised the Company and the Registrar in writing, that it is purchasing the Security for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a QIB within the meaning of Rule 144A and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as it has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon its foregoing representations in order to claim the exemption from registration provided by Rule 144A or (y) an interest in the U.S. Global Securities,

the transfer of such interest may be effected only through the book entry system maintained by the Depository.

(2) If the proposed transferee is an Agent Member, and the Security to be transferred consists of U.S. Physical Securities, upon receipt by the Registrar of the documents referred to in paragraph (1) above and instructions given in accordance with the Depository's and the Registrar's procedures, the Registrar shall reflect on its books and records the date and an increase in the principal amount of U.S. Global Securities in an amount equal to the principal amount of the U.S. Physical Securities to be transferred, and the Trustee shall cancel the U.S. Physical Securities so transferred.

(c) Transfers of Interests in the Temporary Offshore Global Securities. The following provisions shall apply with respect to registration of any proposed transfer of an interest in a Temporary Offshore Global Security:

(1) The transfer of such interest may be effected only through the book entry system maintained by the appropriate Depository and only if (x) the proposed transferee is a Non-U.S. Person and the proposed transferor has delivered to the Registrar a certificate (the "Regulation S Certificate") substantially in the form specified pursuant to Section 2.01 or (y) the proposed transferee is a QIB and the proposed transferor has checked the box provided for on the form of Security stating, or has otherwise advised the Company and the Registrar in writing, that the sale has been made in compliance with the provisions of Rule 144A to a transferee who has signed the certification provided for on the form of Security stating, or has otherwise advised the Company and the Registrar in writing, that it is purchasing the Security for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a QIB within the meaning of Rule 144A, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as it has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon its foregoing representations in order to claim the exemption from registration provided by Rule 144A.

(2) If the proposed transferee is an Agent Member, upon receipt by the Registrar of the documents referred to in clause (1)(y) above and instructions given in accordance with the Depository's and the Registrar's procedures, the Registrar shall reflect on its books and records the date and an increase in the principal amount of the U.S. Global Securities in an amount equal to the principal amount of the Temporary Offshore Global Securities to be transferred, and the Trustee shall decrease the amount of the Temporary Offshore Global Securities.

(d) Transfers of Interests in the Permanent Offshore Global Securities or Offshore Physical Securities. The following provisions shall apply with respect to any transfer of interests in Permanent Offshore Global Securities or Offshore Physical Securities. The Registrar shall register the transfer of any such Security without requiring any additional certification. The transfer of interests in the Permanent Offshore Global Securities may be effected only through the book entry system maintained by the appropriate Depository. The Registrar shall reflect on its books and records the date and a decrease in the principal amount of

the Permanent Offshore Global Securities in an amount equal to the principal amount of the beneficial interest in such Security to be transferred, and, if the proposed transferee is an Agent Member that will take delivery in the form of a beneficial interest in a Global Security, upon receipt by the Registrar of instructions given in accordance with the Depositary's and the Registrar's procedures, the Registrar shall reflect on its books and records the date and an increase in the principal amount of such new Global Securities in an amount equal to the principal amount of the applicable Securities to be transferred and will simultaneously cancel a like principal amount of physical Securities being surrendered for transfer or exchange, or simultaneously record a decrease in like principal amount of the Global Security the beneficial interest in which is being surrendered for transfer or exchange, as applicable.

(e) Transfers to Non-U.S. Persons at Any Time. The following provisions shall apply with respect to any transfer of a Security or a beneficial interest therein to a Non-U.S. Person:

(1) Prior to the termination of the Distribution Compliance Period, the Registrar shall register any proposed transfer of a Security to a Non-U.S. Person upon receipt of a certificate substantially in the form of the Regulation S Certificate from the proposed transferor.

(2) On and after the termination of the Distribution Compliance Period, the Registrar shall register any proposed transfer to any Non-U.S. Person if the Security to be transferred is a U.S. Physical Security or an interest in U.S. Global Securities, upon receipt of a certificate substantially in the form of the Regulation S Certificate from the proposed transferor. If the Security to be transferred is a U.S. Physical Security, the Company shall execute, and the Trustee shall authenticate and deliver, one or more Offshore Physical Securities of like tenor and amount, or, if the proposed transferee is an Agent Member, upon receipt by the Registrar of instructions given in accordance with the Depositary's and the Registrar's procedures, the Registrar shall reflect on its books and records the date and an increase in the principal amount of the Offshore Global Securities in an amount equal to the principal amount of the U.S. Physical Securities to be transferred, and the Trustee shall cancel the U.S. Physical Securities so transferred.

(3) (a) If the proposed transferor is an Agent Member holding a beneficial interest in the U.S. Global Securities, upon receipt by the Registrar of (x) the documents, if any, required by paragraph (2) and (y) instructions in accordance with the Depositary's and the Registrar's procedures, the Registrar shall reflect on its books and records the date and a decrease in the principal amount of the U.S. Global Securities in an amount equal to the principal amount of the beneficial interest in the U.S. Global Securities to be transferred, and (b) if the proposed transferee is an Agent Member, upon receipt by the Registrar of instructions given in accordance with the Depositary's and the Registrar's procedures, the Registrar shall reflect on its books and records the date and an increase in the principal amount of the Offshore Global Securities in an amount equal to the principal amount of the U.S. Global Securities to be transferred, and the Trustee shall decrease the principal amount of the U.S. Global Securities.

(f) Private Placement Legend. Upon the transfer, exchange or replacement of Securities not bearing the Private Placement Legend, the Registrar shall deliver Securities that do not bear the Private Placement Legend. Upon the transfer, exchange or replacement of Securities bearing the Private Placement Legend, the Registrar shall deliver only Securities that bear the Private Placement Legend unless either (i) the circumstances contemplated by paragraph (a)(1)(x) or (e)(2) of this Section 2.20 exist or (ii) there is delivered to the Registrar an Opinion of Counsel reasonably satisfactory to the Company to the effect that neither such legend nor the related restrictions on transfer are required in order to maintain compliance with the provisions of the Securities Act.

(g) General. By its acceptance of any Security bearing the Private Placement Legend, each Holder of such a Security acknowledges the restrictions on transfer of such Security set forth in this Indenture and in the Private Placement Legend and agrees that it will transfer such Security only as provided in this Indenture. The Registrar shall be entitled to receive and rely on written instructions from the Company verifying that such transfer complies with such restrictions on transfer. In connection with any transfer of Securities, each Holder agrees by its acceptance of the Securities to furnish the Registrar or the Company such certifications, legal opinions or other information as either of them may reasonably require to confirm that such transfer is being made pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act; provided that the Registrar shall not be required to determine (but may rely on a determination made by the Company with respect to) the sufficiency of any such certifications, legal opinions or other information.

The Registrar shall retain copies of all letters, notices and other written communications received pursuant to Section 2.08 or this Section 2.20. The Company shall have the right to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable written notice to the Registrar.

ARTICLE III

REDEMPTION

SECTION 3.01 Applicability of Article.

Securities of any series that are redeemable before their Stated Maturity shall be redeemable in accordance with their terms and (except as otherwise specified as contemplated by Section 2.01 for Securities of any series) in accordance with this Article III.

SECTION 3.02 Notice to the Trustee.

If the Company elects to redeem Securities of any series pursuant to this Indenture, it shall notify the Trustee of the Redemption Date and principal amount of Securities of such series to be redeemed. The Company shall so notify the Trustee at least 45 days before the Redemption Date (unless a shorter notice shall be satisfactory to the Trustee) by delivering to the Trustee an Officers' Certificate stating that such redemption will comply with the provisions of this Indenture and of the Securities of such series. Any such notice may be canceled at any

time prior to the mailing of such notice of such redemption to any Holder and shall thereupon be void and of no effect.

SECTION 3.03 Selection of Securities To Be Redeemed.

If less than all the Securities of any series are to be redeemed (unless all of the Securities of such series of a specified tenor are to be redeemed), the particular Securities to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Trustee, from the outstanding Securities of such series (and tenor) not previously called for redemption, either pro rata, by lot or by such other method as the Trustee shall deem appropriate in accordance with industry standards at the time of such redemption and that may provide for the selection for redemption of portions (equal to the minimum authorized denomination for Securities of that series or any integral multiple thereof) of the principal amount of Securities of such series of a denomination larger than the minimum authorized denomination for Securities of that series or of the principal amount of Global Securities of such series; provided, that if at the time of redemption such Securities are registered as a Global Security, the Depository shall determine, in accordance with its procedures, the principal amount of such Securities held by each beneficial owner of Securities to be redeemed.

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

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

SECTION 3.04 Notice of Redemption.

Notice of redemption shall be given by first-class mail, postage prepaid, mailed not less than 20 nor more than 60 days prior to the Redemption Date, to each Holder of Securities to be redeemed, at the address of such Holder appearing in the register of Securities maintained by the Registrar.

All notices of redemption shall identify the Securities to be redeemed and shall state:

- (1) the Redemption Date;
- (2) the Redemption Price;
- (3) that, unless the Company defaults in making the redemption payment, interest on Securities called for redemption ceases to accrue on and after the Redemption Date, and the only remaining right of the Holders of such Securities is to receive payment of the Redemption Price upon surrender to the Paying Agent of the Securities redeemed;

(4) if any Security is to be redeemed in part, the portion of the principal amount thereof to be redeemed and that on and after the Redemption Date, upon surrender for cancellation of such Security to the Paying Agent, a new Security or Securities in the aggregate principal amount equal to the unredeemed portion thereof will be issued without charge to the Holder;

(5) that Securities called for redemption must be surrendered to the Paying Agent to collect the Redemption Price and the name and address of the Paying Agent;

(6) that the redemption is for a sinking or analogous fund, if such is the case;

(7) the CUSIP number, if any, relating to such Securities; and

(8) if applicable, the date on which the right to convert is terminated.

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

SECTION 3.05 Effect of Notice of Redemption.

Once notice of redemption is mailed, Securities called for redemption become due and payable on the Redemption Date and at the Redemption Price. Such Securities called for redemption shall be paid at the Redemption Price, but interest installments whose maturity is on or prior to such Redemption Date will be payable on the relevant Interest Payment Dates to the Holders of record at the close of business on the relevant record dates specified pursuant to Section 2.01. In the case of certificated Securities, such payments shall be made only upon surrender of the certificate to the Paying Agent.

SECTION 3.06 Deposit of Redemption Price.

On or prior to any Redemption Date, the Company shall deposit with the Trustee or the Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 2.06) an amount of money in same day funds sufficient to pay the Redemption Price of, and (except if the Redemption Date shall be an Interest Payment Date) accrued interest on and any Additional Amounts with respect to, the Securities or portions thereof which are to be redeemed on that date, other than Securities or portions thereof called for redemption on that date which have been delivered by the Company to the Trustee for cancellation. The Trustee shall not be bound to make payment until it is satisfied that full payment has been received from the Company.

If the Company complies with the preceding paragraph, then, unless the Company defaults in the payment of such Redemption Price, interest on the Securities to be redeemed will cease to accrue on and after the applicable Redemption Date, whether or not such Securities are presented for payment, and the Holders of such Securities shall have no further rights with respect to such Securities except for the right to receive the Redemption Price upon surrender of such Securities, if certificated. If any Security called for redemption shall not be so paid upon surrender thereof for redemption, the principal, premium, if any, any Additional Amounts, and,

to the extent lawful, accrued interest thereon shall, until paid, bear interest from the Redemption Date at the rate specified pursuant to Section 2.01 or provided in the Securities or, in the case of Original Issue Discount Securities, such Securities' yield to maturity.

SECTION 3.07 Securities Redeemed or Purchased in Part.

Upon surrender to the Paying Agent of a Security to be redeemed in part, the Company shall execute and the Trustee shall authenticate and deliver to the Holder of such Security without service charge a new Security or Securities, of the same series and of any authorized denomination as requested by such Holder in aggregate principal amount equal to, and in exchange for, the unredeemed portion of the principal of the Security so surrendered that is not redeemed.

SECTION 3.08 Purchase of Securities.

Unless otherwise specified as contemplated by Section 2.01, the Company and any Affiliate of the Company may at any time purchase or otherwise acquire Securities in the open market or by private agreement. Such acquisition shall not operate as or be deemed for any purpose to be a redemption of the indebtedness represented by such Securities. Any Securities purchased or acquired by the Company may be delivered to the Trustee and, upon such delivery, the indebtedness represented thereby shall be deemed to be satisfied. Section 2.13 shall apply to all Securities so delivered.

SECTION 3.09 Mandatory and Optional Sinking Funds.

The minimum amount of any sinking fund payment provided for by the terms of Securities of any series is herein referred to as a "mandatory sinking fund payment," and any payment in excess of such minimum amount provided for by the terms of Securities of any series is herein referred to as an "optional sinking fund payment." Unless otherwise provided by the terms of Securities of any series, the cash amount of any sinking fund payment may be subject to reduction as provided in Section 3.10. Each sinking fund payment shall be applied to the redemption of Securities of any series as provided for by the terms of Securities of such series and by this Article III.

SECTION 3.10 Satisfaction of Sinking Fund Payments with Securities.

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

SECTION 3.11 Redemption of Securities for Sinking Fund.

Not less than 45 days prior (unless a shorter period shall be satisfactory to the Trustee) to each sinking fund payment date for any series of Securities, the Company will deliver to the Trustee an Officers' Certificate specifying the amount of the next ensuing sinking fund payment for that series pursuant to the terms of that series, the portion thereof, if any, which is to be satisfied by payment of cash and the portion thereof, if any, which is to be satisfied by delivery of or by crediting Securities of that series pursuant to Section 3.10 and will also deliver to the Trustee any Securities to be so delivered. Failure of the Company to timely deliver such Officers' Certificate and Securities specified in this paragraph, if any, shall not constitute a default but shall constitute the election of the Company (i) that the mandatory sinking fund payment for such series due on the next succeeding sinking fund payment date shall be paid entirely in cash without the option to deliver or credit Securities of such series in respect thereof and (ii) that the Company will make no optional sinking fund payment with respect to such series as provided in this Section.

If the sinking fund payment or payments (mandatory or optional or both) to be made in cash on the next succeeding sinking fund payment date plus any unused balance of any preceding sinking fund payments made in cash shall exceed \$100,000 (or the Dollar equivalent thereof based on the applicable Exchange Rate on the date of original issue of the applicable Securities) or a lesser sum if the Company shall so request with respect to the Securities of any particular series, such cash shall be applied on the next succeeding sinking fund payment date to the redemption of Securities of such series at the sinking fund redemption price together with accrued interest to the date fixed for redemption. If such amount shall be \$100,000 (or the Dollar equivalent thereof as aforesaid) or less and the Company makes no such request then it shall be carried over until a sum in excess of \$100,000 (or the Dollar equivalent thereof as aforesaid) is available. Not less than 30 days before each such sinking fund payment date, the Trustee shall select the Securities to be redeemed upon such sinking fund payment date in the manner specified in Section 3.03 and cause notice of the redemption thereof to be given in the name of and at the expense of the Company in the manner provided in Section 3.04. Such notice having been duly given, the redemption of such Securities shall be made upon the terms and in the manner stated in Sections 3.05, 3.06 and 3.07.

ARTICLE IV

COVENANTS

SECTION 4.01 Payment of Securities.

The Company shall pay the principal of, premium (if any) and interest on and any Additional Amounts with respect to the Securities of each series on the dates and in the manner provided in the Securities of such series and in this Indenture. Principal, premium, interest and any Additional Amounts shall be considered paid on the date due if the Paying Agent, other than the Company or a Subsidiary of the Company, holds on that date money deposited by the Company designated for and sufficient to pay all principal, premium (if any), interest and any Additional Amounts then due.

The Company shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium (if any), at a rate equal to the then applicable interest rate on the Securities to the extent lawful; and it shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest and any Additional Amount (without regard to any applicable grace period) at the same rate to the extent lawful.

SECTION 4.02 Maintenance of Office or Agency.

The Company will maintain in each Place of Payment for any series of Securities an office or agency (which may be an office of the Trustee, the Registrar or the Paying Agent) where Securities of that series may be presented for registration of transfer or exchange, where Securities of that series may be presented for payment and where notices and demands to or upon the Company in respect of the Securities of that series and this Indenture may be served. Unless otherwise designated by the Company by written notice to the Trustee, such office or agency shall be the office of the Trustee, which on the date hereof is located at 111 Wall Street, 14th Floor, New York, New York 10005. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee.

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

SECTION 4.03 SEC Reports; Financial Statements.

(a) If the Company is subject to Section 13 or 15(d) of the Exchange Act, the Company shall file with the Trustee, within 15 days after it files the same with the SEC, copies of the annual reports and the information, documents and other reports (or copies of such portions of any of the foregoing as the SEC may by rules and regulations prescribe) that the Company is required to file with the SEC pursuant to Section 13 or 15(d) of the Exchange Act. If this Indenture is qualified under the TIA, but not otherwise, the Company shall also comply with the provisions of TIA (S) 314(a).

(b) If the Company is not subject to the requirements of Section 13 or 15(d) of the Exchange Act, the Company shall furnish to the Trustee and all Holders of Rule 144A Securities and prospective purchasers of Rule 144A Securities designated by the Holders of Rule 144A Securities, promptly upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) promulgated under the Securities Act.

SECTION 4.04 Compliance Certificate.

(a) The Company shall deliver to the Trustee, within 120 days after the end of each fiscal year of the Company, a statement, signed by the principal executive officer, principal financial officer or principal accounting officer of the Company, which need not constitute an Officers' Certificate, complying with TIA (S) 314(a)(4) and stating that in the course of performance by the signing Officer of the Company of his duties as such Officer of the Company he would normally obtain knowledge of the keeping, observing, performing and fulfilling by the Company of its obligations under this Indenture, and further stating that to the best of his knowledge the Company has kept, observed, performed and fulfilled each and every covenant contained in this Indenture and is not in default in the performance or observance of any of the terms, provisions and conditions hereof (or, if a Default or Event of Default shall have occurred, describing all such Defaults or Events of Default of which such Officer may have knowledge and what action the Company is taking or proposes to take with respect thereto).

(b) The Company shall, so long as Securities of any series are outstanding, deliver to the Trustee, as soon as practicable, but in no event more than 5 Business Days after, any Officer of the Company becoming aware of any Default or Event of Default under this Indenture, an Officers' Certificate specifying such Default or Event of Default and what action the Company is taking or proposes to take with respect thereto.

SECTION 4.05 Existence.

Subject to Article V hereof, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect its existence and the existence of each of its Subsidiaries and all rights (charter and statutory) and franchises of the Company and its Subsidiaries, provided that the Company shall not be required to preserve the existence of any Subsidiary of the Company or any such right or franchise if the Company shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and its Subsidiaries taken as a whole and that the loss thereof would not have a material adverse effect on the business, prospects, assets or financial condition of the Company and its Subsidiaries taken as a whole and would not have any material adverse effect on the payment and performance of the obligations of the Company under the Securities and this Indenture.

SECTION 4.06 Waiver of Stay, Extension or Usury 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 or any usury law or other law that would prohibit or forgive the Company from paying all or any portion of the principal of or interest on the Securities as contemplated herein, wherever enacted, now or at any time hereafter in force, or which may affect the covenants or the performance of this Indenture; and (to the extent that it may lawfully do so) the Company hereby expressly waives all benefit or advantage of any such law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

SECTION 4.07 Additional Amounts.

If the Securities of a series expressly provide for the payment of Additional Amounts, the Company will pay to the Holder of any Security of such series Additional Amounts as expressly provided therein. Whenever in this Indenture there is mentioned, in any context, the payment of the principal of or any premium or interest on, or in respect of, any Security of any series or the net proceeds received from the sale or exchange of any Security of any series, such mention shall be deemed to include mention of the payment of Additional Amounts provided for in this Section 4.07 to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof pursuant to the provisions of this Section 4.07 and express mention of the payment of Additional Amounts (if applicable) in any provisions hereof shall not be construed as excluding Additional Amounts in those provisions hereof where such express mention is not made.

Unless otherwise provided pursuant to Section 2.01 with respect to Securities of any series: If the Securities of a series provide for the payment of Additional Amounts, at least ten days prior to the first Interest Payment Date with respect to that series of Securities (or if the Securities of that series will not bear interest prior to Maturity, the first day on which a payment of principal and any premium is made), and at least ten days prior to each date of payment of principal and any premium or interest if there has been any change with respect to the matters set forth in the below-mentioned Officers' Certificate, the Company shall furnish the Trustee and the Company's principal Paying Agent or Paying Agents, if other than the Trustee, with an Officers' Certificate instructing the Trustee and such Paying Agent or Paying Agents whether such payment of principal of and any premium or interest on the Securities of that series shall be made to Holders of Securities of that series without withholding for or on account of any tax, assessment or other governmental charge described in the Securities of that series. If any such withholding shall be required, then such Officers' Certificate shall specify by country the amount, if any, required to be withheld on such payments to such Holders of Securities and the Company will pay to such Paying Agent the Additional Amounts required by this Section. The Company covenants to indemnify the Trustee and any Paying Agent for and to hold them harmless against any loss, liability or expense reasonably incurred without negligence or willful misconduct on their part arising out of or in connection with actions taken or omitted by any of them in reliance on any Officers' Certificate furnished pursuant to this Section 4.07.

SECTION 4.08 Limitation on Liens.

The Company will not itself, and will not permit any Restricted Subsidiary to, incur, issue, assume or guarantee any Debt secured by a Mortgage, on any Restricted Property, or on any shares of stock, ownership interests in, or indebtedness of a Restricted Subsidiary, without effectively providing concurrently with the incurrence, issuance, assumption or guarantee of such secured Debt that the Securities (together with, if the Company shall so determine, any other indebtedness or other obligation of the Company or such Restricted Subsidiary then existing or thereafter created ranking on a parity with the Securities) shall be secured equally and ratably with (or prior to) such secured Debt, so long as such secured Debt shall be so secured, unless, after giving effect thereto, the aggregate amount of all such secured Debt (excluding any Debt secured by Mortgages of the types referred to in clauses (a) through (e) below) plus all Attributable Debt of the Company and its Restricted Subsidiaries in respect

of Sale and Leaseback Transactions (as defined in Section 4.09) involving Restricted Property, but excluding any Attributable Debt in respect of any such Sale and Leaseback Transactions, the proceeds of which have been applied to the retirement of Funded Debt pursuant to clause (c) of Section 4.09, would not exceed 10% of Consolidated Net Assets; provided, however, that this Section 4.08 shall not apply to:

(a) Mortgages existing on the date of first issuance of a series of Securities;

(b) Mortgages on property of, or on any shares of stock, ownership interests in or indebtedness of, any Person existing at the time such Person becomes a Subsidiary or a Restricted Subsidiary;

(c) Mortgages on property existing at the time of acquisition thereof (including acquisition through merger or consolidation) or to secure the payment of all or any part of the purchase price or cost of construction, development, expansion or improvement thereof or to secure any indebtedness incurred prior to, at the time of, or within 12 months after, the acquisition or completion of construction, development, expansion or improvement of such property or its commencement of commercial operations for the purpose of financing all or any part of the purchase price or cost of construction, development, expansion or improvement thereof;

(d) Mortgages in favor of the Company or any Restricted Subsidiary;

and

(e) any extension, renewal or replacement (or successive extensions, renewals or replacements), as a whole or in part, of any Mortgage referred to in the foregoing clauses (a) to (d), inclusive; provided, that such extension, renewal or replacement Mortgage shall be limited to all or a part of the same property that secured the Mortgage extended, renewed or replaced (plus improvements on such property).

The following types of transactions shall not be deemed to create Debt secured by a Mortgage within the meaning of the foregoing paragraph: the Mortgage of any property of the Company or any Subsidiary in favor of the United States, or any state, or any entity, department, agency, instrumentality or political subdivision of either, to secure partial, progress, advance or other payments to the Company or any Subsidiary pursuant to the provisions of any contract or statute, or the Mortgage of any property to secure indebtedness of the pollution control, industrial revenue or other revenue bond type.

SECTION 4.09 Limitation on Sale and Leaseback Transactions.

The Company will not itself, and will not permit any Restricted Subsidiary to, enter into any arrangement with any bank, insurance company or other lender or investor (not including the Company or any Restricted Subsidiary), or to which any such lender or investor is a party, providing for the leasing by the Company or such Restricted Subsidiary for a period, including renewals, in excess of three years of any Restricted Property that has been owned and operated by the Company or such Restricted Subsidiary for more than 12 months and which has been or is to be sold or transferred by the Company or such Restricted Subsidiary to such lender or investor or to any Person to whom funds have been or are to be advanced by such lender or

investor on the security of such Restricted Property (herein referred to as a "Sale and Leaseback Transaction") unless either:

(a) the Company or such Restricted Subsidiary could create Debt secured by a Mortgage pursuant to Section 4.08 on the Restricted Property to be leased, in an amount equal to the Attributable Debt with respect to such Sale and Leaseback Transaction, without equally and ratably securing the Securities;

(b) since the Issue Date and within a period commencing 12 months prior to the consummation of the Sale and Leaseback Transaction and ending 12 months after the consummation of such Sale and Leaseback Transaction, the Company or any Restricted Subsidiary has expended or will expend for the purchase, construction, development, expansion or improvement of any Restricted Property an amount equal to (i) the greater of (x) the net proceeds of such Sale and Leaseback Transaction and (y) the fair market value of the Restricted Property so leased at the time of entering into such transaction, as determined by the Company (the greater of the sums specified in clauses (x) and (y) being referred to herein as the "Net Proceeds" of such transaction), and the Company elects to designate such amount as satisfying any obligation it would otherwise have under clause (c) of this Section 4.09 or (ii) a part of the Net Proceeds of such transaction and the Company elects to designate such amount as satisfying part of the obligation it would otherwise have under clause (c) of this Section 4.09 and applies an amount equal to the remainder of such Net Proceeds as provided in clause (c) of this Section 4.09; or

(c) the Company within 12 months of the consummation of any such Sale and Leaseback Transaction, applies an amount equal to the Net Proceeds of such transaction (less any amount elected under clause (b) of this Section 4.09) to the retirement of Funded Debt of the Company ranking on a parity with the Securities. No retirement referred to in this clause (c) may be effected by payment at maturity or pursuant to any mandatory sinking fund or prepayment provision.

ARTICLE V

SUCCESSORS

SECTION 5.01 Limitations on Mergers and Consolidations.

The Company shall not (a) consolidate or amalgamate with or merge into any Person, or sell, convey, lease or transfer its properties or assets substantially as an entirety to any other Person in any one transaction or series of related transactions, or (b) permit any Person to consolidate or amalgamate with or merge into the Company, unless:

(1) either (a) the Company shall be the continuing Person or (b) the Person (if other than the Company) formed by such consolidation or amalgamation or into which the Company is merged, or the Person to which the Company's properties or assets are so transferred (collectively, the "Successor"), executes and delivers to the Trustee a supplemental indenture expressly assuming the payment when due of the principal of (and premium, if any) and interest on and Additional Amounts with respect to all the

Securities and the performance of the Company's covenants and obligations under this Indenture and the Securities;

(2) immediately after giving effect to such transaction or series of transactions, no Default or Event of Default shall have occurred and be continuing or would result therefrom; and

(3) the Company delivers to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that the transaction and any such supplemental indenture (if required) comply with this Indenture.

SECTION 5.02 Successor Person Substituted.

Upon any consolidation, amalgamation or merger of the Company or any sale, conveyance, lease or other transfer of all or substantially all of the assets of the Company in accordance with Section 5.01, the Successor formed by such consolidation or into or with which the Company is merged or to which such sale, conveyance, lease or other transfer is made shall succeed to, and be substituted for, and may exercise every right and power of the Company under this Indenture and the Securities with the same effect as if such Successor had been named as the Company herein and the predecessor Company, in the case of a sale, conveyance, lease or other transfer, shall be released from all obligations under this Indenture and the Securities.

ARTICLE VI

DEFAULTS AND REMEDIES

SECTION 6.01 Events of Default.

Unless either inapplicable to a particular series or specifically deleted or modified in or pursuant to the supplemental indenture or Board Resolution establishing such series of Securities or in the form of Security for such series, an "Event of Default," wherever used herein with respect to Securities of any series, occurs if:

(1) the Company defaults in the payment of interest on or any Additional Amounts with respect to any Security of that series when the same becomes due and payable and such default continues for a period of 30 days;

(2) the Company defaults in the payment of (A) the principal of and accrued interest on any Security of that series at its Maturity or (B) premium (if any) on any Security of that series, when the same becomes due and payable;

(3) the Company or any Significant Subsidiary defaults under any instrument or instruments evidencing Indebtedness (other than any Security) having an outstanding principal amount of \$125,000,000 (or its equivalent in any foreign currency or currencies) or more that has caused the holders thereof to declare such Indebtedness to be due and payable prior to the stated maturity of such Indebtedness unless such declaration has been rescinded within 30 days;

(4) the Company or any Significant Subsidiary defaults in the payment of any Indebtedness for money borrowed in an aggregate principal amount exceeding \$125,000,000 (or its equivalent in any foreign currency or currencies) when such Indebtedness becomes due and payable at final maturity and such default continues unwaived or unremedied for more than 30 Business Days after the expiration of any grace period or extension of the time for payment applicable thereto;

(5) the Company defaults in the deposit of any sinking fund payment, when and as due by the terms of a Security of that series, and such default continues for a period of 30 days;

(6) the Company fails to comply with any of its other covenants or agreements in, or provisions of, the Securities of such series or this Indenture (other than an agreement, covenant or provision that has expressly been included in this Indenture solely for the benefit of one or more series of Securities other than that series) which shall not have been remedied within the specified period after written notice, as specified in the last paragraph of this Section 6.01;

(7) the Company or any Significant Subsidiary pursuant to or within the meaning of any Bankruptcy Law:

(A) commences a voluntary case,

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

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

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

(8) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that remains unstayed and in effect for 90 days and that:

(A) is for relief against the Company or any Significant Subsidiary as debtor in an involuntary case,

(B) appoints a Bankruptcy Custodian of the Company or any Significant Subsidiary or a Bankruptcy Custodian for all or substantially all of the property of the Company or any Significant Subsidiary, or

(C) orders the liquidation of the Company or any Significant Subsidiary; or

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

The term "Bankruptcy Custodian" means any receiver, trustee, assignee, liquidator or similar official under any Bankruptcy Law.

The Trustee shall not be deemed to know or have notice of a Default unless a Trust Officer at the Corporate Trust Office of the Trustee responsible for the administration of this Indenture receives written notice at the Corporate Trust Office of the Trustee of such Default with specific reference to such Default.

When a Default is cured, it ceases.

Notwithstanding the foregoing provisions of this Section 6.01, if the principal of, premium (if any) or interest on or Additional Amounts with respect to any Security is payable in a currency or currencies (including a composite currency) other than Dollars and such currency or currencies are not available to the Company for making payment thereof due to the imposition of exchange controls or other circumstances beyond the control of the Company (a "Conversion Event"), the Company will be entitled to satisfy its obligations to Holders of the Securities by making such payment in Dollars in an amount equal to the Dollar equivalent of the amount payable in such other currency, as determined by the Company by reference to the Exchange Rate on the date of such payment, or, if such rate is not then available, on the basis of the most recently available Exchange Rate. Notwithstanding the foregoing provisions of this Section 6.01, any payment made under such circumstances in Dollars where the required payment is in a currency other than Dollars will not constitute an Event of Default under this Indenture.

Promptly after the occurrence of a Conversion Event, the Company shall give written notice thereof to the Trustee; and the Trustee, promptly after receipt of such notice, shall give notice thereof in the manner provided in Section 10.02 to the Holders. Promptly after the making of any payment in Dollars as a result of a Conversion Event, the Company shall give notice in the manner provided in Section 10.02 to the Holders, setting forth the applicable Exchange Rate and describing the calculation of such payments.

A Default under clause (6) or (9) of this Section 6.01 is not an Event of Default until the Trustee notifies the Company, or the Holders of at least 25% in principal amount of the then outstanding Securities of the series affected by such Default (or, in the case of a Default relating to the Company's failure to comply with the covenants in Sections 4.07 or 4.08, if outstanding Securities of other series are affected by such Default, then at least 25% in principal amount of the then outstanding Securities so affected) notify the Company and the Trustee, of the Default, and the Company fails to cure the Default within 60 days after receipt of the notice. The notice must specify the Default, demand that it be remedied and state that the notice is a "Notice of Default."

SECTION 6.02 Acceleration.

If an Event of Default with respect to any Securities of any series at the time outstanding (other than an Event of Default specified in clause (7) or (8) of Section 6.01 with respect to the Company) occurs and is continuing, the Trustee by notice to the Company, or the Holders of at least 25% in principal amount of the then outstanding Securities of the series affected by such Event of Default (or, in the case of an Event of Default relating to the

Company's failure to comply with the covenants in Sections 4.07 or 4.08, if outstanding Securities of other series are affected by such Event of Default, then at least 25% in principal amount of the then outstanding Securities so affected) by notice to the Company and the Trustee, may declare the principal of (or, if any such Securities are Original Issue Discount Securities, such portion of the principal amount as may be specified in the terms of that series) and all accrued and unpaid interest on all then outstanding Securities of such series or of all series, as the case may be, to be due and payable. Upon any such declaration the amounts due and payable on the Securities shall be due and payable immediately. If an Event of Default specified in clause (7) or (8) of Section 6.01 hereof occurs with respect to the Company, such amounts shall ipso facto become and be immediately due and payable without any declaration, notice or other act on the part of the Trustee or any Holder. The Holders of a majority in principal amount of the then outstanding Securities of the series affected by such Event of Default or all series so affected, as the case may be, by written notice to the Trustee may rescind an acceleration and its consequences (other than nonpayment of principal of or premium or interest on or any Additional Amounts with respect to the Securities) if the rescission would not conflict with any judgment or decree and if all existing Events of Default with respect to Securities of that series (or of all series, as the case may be) have been cured or waived, except nonpayment of principal, premium, interest or any Additional Amounts that has become due solely because of the acceleration.

SECTION 6.03 Other Remedies.

If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal of, or premium, if any, or interest on the Securities or to enforce the performance of any provision of the Securities or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Securities or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative to the extent permitted by law.

SECTION 6.04 Waiver of Defaults.

Subject to Sections 6.07 and 9.02, the Holders of a majority in principal amount of the then outstanding Securities of any series (or of all series affected thereby, acting as one class in the case of the Company's failure to comply with the covenants in Sections 4.08 and 4.09) by notice to the Trustee may waive an existing or past Default or Event of Default with respect to such series or all series, as the case may be, and its consequences (including waivers obtained in connection with a tender offer or exchange offer for Securities of such series or all series or a solicitation of consents in respect of Securities of such series or all series, provided that in each case such offer or solicitation is made to all Holders of then outstanding Securities of such series or all series (but the terms of such offer or solicitation may vary from series to series)), except (1) a continuing Default or Event of Default in the payment of the principal of, or premium, if any, or interest on or any Additional Amounts with respect to any Security or (2) a continued Default in respect of a provision that under Section 9.02 cannot be amended or supplemented without the consent of each Holder affected. Upon any such waiver, such Default

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

SECTION 6.05 Control by Majority.

With respect to Securities of any series, the Holders of a majority in principal amount of the then outstanding Securities of such series may direct in writing the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on it relating to or arising under an Event of Default described in clause (1) through (6) (other than Events of Default resulting from failures to comply with the covenants in Section 4.08 or 4.09) or (9) of Section 6.01, and with respect to all Securities, the Holders of a majority in principal amount of all the then outstanding Securities affected may direct in writing the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on it not relating to or arising under such an Event of Default. However, the Trustee may refuse to follow any direction that conflicts with applicable law or this Indenture that the Trustee determines may be unduly prejudicial to the rights of other Holders, or that may involve the Trustee in personal liability; provided, however, that the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction. Prior to taking any action hereunder, the Trustee shall be entitled to indemnification satisfactory to it in its sole discretion from Holders directing the Trustee against all losses and expenses caused by taking or not taking such action.

SECTION 6.06 Limitations on Suits.

Subject to Section 6.07 hereof, a Holder of a Security of any series may pursue a remedy with respect to this Indenture or the Securities of such series only if:

- (1) the Holder gives to the Trustee written notice of a continuing Event of Default with respect to such series;
- (2) the Holders of at least 25% in principal amount of the then outstanding Securities of such series make a written request to the Trustee to pursue the remedy;
- (3) the Trustee does not comply with the request within 60 days after receipt of the request; and
- (4) during such 60-day period the Holders of a majority in principal amount of the Securities of that series do not give the Trustee a direction inconsistent with the request.

A Holder may not use this Indenture to unduly prejudice the rights of another Holder or to obtain a preference or priority over another Holder.

SECTION 6.07 Rights of Holders to Receive Payment.

Notwithstanding any other provision of this Indenture (including, without limitation, Section 6.06), the right of any Holder of a Security to receive payment of principal of

and premium, if any, and interest on and any Additional Amounts with respect to the Security, on or after the respective due dates expressed in the Security, or to bring suit for the enforcement of any such payment on or after such respective dates, is absolute and unconditional and shall not be impaired or affected without the consent of the Holder.

Notwithstanding any other provision of this Indenture (including, without limitation, Section 6.06), the right of any Holder to bring suit for the enforcement of the right to convert a convertible Security shall not be impaired or affected without the consent of such Holder.

SECTION 6.08 Collection Suit by Trustee.

If an Event of Default specified in clause (1) or (2) of Section 6.01 hereof occurs and is continuing, the Trustee is authorized to recover judgment in its own name and as trustee of an express trust against the Company for the amount of principal, premium (if any), interest and any Additional Amounts remaining unpaid on the Securities of the series affected by the Event of Default, and interest on overdue principal and premium, if any, and, to the extent lawful, interest on overdue interest, and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

SECTION 6.09 Trustee May File Proofs of Claim.

The Trustee is authorized to file such proofs of claim and other papers or documents and to take such actions, including participating as a member, voting or otherwise, of any committee of creditors, as may be necessary or advisable to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and the Holders allowed in any judicial proceedings relative to the Company or its creditors or properties and shall be entitled and empowered to collect, receive and distribute any money or other property payable or deliverable on any such claims and any Bankruptcy Custodian in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07 out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties which the Holders of the Securities may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

SECTION 6.10 Priorities.

If the Trustee collects any money pursuant to this Article VI, it shall pay out the money in the following order:

First: to the Trustee for amounts due under Section 7.07;

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

Third: to the Company.

The Trustee, upon prior written notice to the Company, may fix record dates and payment dates for any payment to Holders pursuant to this Article VI.

To the fullest extent allowed under applicable law, if for the purpose of obtaining a judgment against the Company in any court it is necessary to convert the sum due in respect of the principal of, premium (if any) or interest on or Additional Amounts with respect to the Securities of any series (the "Required Currency") into a currency in which a judgment will be rendered (the "Judgment Currency"), the rate of exchange used for purposes of rendering the judgment shall be the rate at which in accordance with normal banking procedures the Trustee could purchase in The City of New York, New York the Required Currency with the Judgment Currency on the Business Day in The City of New York, New York next preceding that on which final judgment is given. Neither the Company nor the Trustee shall be liable for any shortfall nor shall it benefit from any windfall in payments to Holders of Securities under this Section 6.10 caused by a change in exchange rates between the time the amount of a judgment against it is calculated as above and the time the Trustee converts the Judgment Currency into the Required Currency to make payments under this Section to Holders of Securities, but payment of such judgment shall discharge all amounts owed by the Company on the claim or claims underlying such judgment.

SECTION 6.11 Undertaking for Costs.

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as a trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee a suit by a Holder pursuant to Section 6.07, or a suit by a Holder or Holders of more than 10% in principal amount of the then outstanding Securities of any series.

SECTION 6.12 Right to Pursue Remedy.

With respect to the right of any Holder to pursue a remedy pursuant to Section 6.06 or 6.07 hereof, the Company expressly acknowledges the right of any beneficial holder of Securities to pursue such remedy jointly with the registered holder of such Securities, in addition to any other right such beneficial holder might have thereunder.

ARTICLE VII

TRUSTEE

SECTION 7.01 Duties of Trustee.

(a) If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in such exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) Except during the continuance of an Event of Default with respect to Securities of any series:

(1) the Trustee need perform only those duties that are specifically set forth in this Indenture and no others, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, in the case of any such certificate or opinion which by any provision of this Indenture is specifically required to be furnished to the Trustee, the Trustee shall examine such certificates and opinions to determine whether, on their face, they appear to conform to the requirements of this Indenture (but not to confirm or investigate the accuracy of mathematical calculations or other facts or opinions stated therein).

(c) The Trustee may not be relieved from liabilities for its own negligent action, its own negligent failure to act or its own willful misconduct as adjudicated by a court of competent jurisdiction, except that:

(1) this paragraph does not limit the effect of Section 7.01(b);

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

(3) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05; and

(4) the Trustee shall not be liable for any incidental, indirect, special, consequential or punitive damages.

(d) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to the provisions of this Section 7.01. The permissive right of the Trustee to take or refrain from taking any action enumerated in this Indenture shall not be construed as a duty.

(e) No provision of this Indenture shall require the Trustee to expend or risk its own funds or incur any liability. The Trustee may refuse to perform any duty or exercise any right or power unless it receives indemnity reasonably satisfactory to it against any loss, liability or expense.

(f) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Company. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law. All money received by the Trustee shall, until applied as herein provided, be held in trust for the payment of the principal of, premium (if any) and interest on and Additional Amounts with respect to the Securities.

(g) The Trustee shall not have any responsibility for making or verifying the accuracy of any calculations made hereunder.

SECTION 7.02 Rights of Trustee.

(a) The Trustee may conclusively rely and shall be protected in acting or refraining from acting on any document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, securities, bond, debenture, Security, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit.

(b) Before the Trustee acts or refrains from acting, it may require instruction, an Officers' Certificate or an Opinion of Counsel or both to be provided. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such instruction, Officers' Certificate or Opinion of Counsel. The Trustee may consult at the Company's expense with counsel or other professional advisors of its selection and the advice of such counsel, other professional advisors 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.

(c) The Trustee may act through agents, at the cost of the Company, and shall not be responsible for the actions or omissions of any agent appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers conferred upon it by this Indenture.

(e) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Company shall be sufficient if signed by an Officer of the Company and any resolution of the Board of Directors may be sufficiently evidenced by a Board Resolution.

(f) Upon an Event of Default, the Trustee shall be entitled to require all agents to act solely in accordance with its directions.

(g) In all instances in which the Trustee is called upon to exercise its discretion, such discretion shall be absolute.

(h) In connection with the exercise of its trusts, powers, authorities or discretions (including but not limited to those in relation to any proposed modification, authorization or waiver), the Trustee shall have regard to the interests of the Holders as a class and shall not have regard to the consequences of such exercise for individual Holders (whatever their number) and in particular but without limitation, shall not have regard for the consequences of the exercise of its trusts, powers, authorities or discretions for individual Holders resulting from their being, for any purpose, domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of any particular territory and the Trustee shall not be entitled to require, nor shall any Holder be entitled to claim, from the Company or the Trustee any indemnification or payment in respect of any tax consequences of any such exercise upon individual Holders.

SECTION 7.03 May Hold Securities.

The Trustee in its individual or any other capacity may become the owner or pledgee of Securities and it and its Affiliates may otherwise deal with the Company or any of its Affiliates with the same rights it would have if it were not Trustee and without being obliged to account for any profits from such dealings. Any Agent may do the same with like rights and duties. However, the Trustee is subject to Sections 7.10 and 7.11.

SECTION 7.04 Trustee's Disclaimer.

The Trustee makes no representation as to the validity or adequacy of this Indenture or the Securities, it shall not be accountable for the Company's use of the proceeds from the Securities or any money paid to the Company or upon the Company's direction under any provision hereof, it shall not be responsible for the use or application of any money received by any Paying Agent other than the Trustee and it shall not be responsible for any statement or recital herein or any statement in the Securities other than its certificate of authentication.

SECTION 7.05 Notice of Defaults.

If a Default or Event of Default with respect to the Securities of any series occurs and is continuing and a Trust Officer of the Trustee responsible for the administration of this Indenture has received written notice thereof pursuant to the terms of this Indenture, the Trustee shall mail to Holders of Securities of such series a notice of the Default or Event of Default within 90 days after receipt of such written notice. Except in the case of a Default or Event of Default in payment of principal of, premium (if any) and interest on and Additional Amounts or

any sinking fund installment with respect to the Securities of such series, the Trustee may withhold the notice if and so long as a committee of its Trust Officers in good faith determines that withholding the notice is in the interests of Holders of Securities of such series.

SECTION 7.06 Reports by Trustee to Holders.

Within 60 days after each May 15 of each year after the execution of this Indenture, the Trustee shall mail to Holders of a series and the Company a brief report dated as of such reporting date that complies with TIA ss. 313(a); provided, however, that if no event described in TIA ss. 313(a) has occurred within the twelve months preceding the reporting date with respect to a series, no report need be transmitted to Holders of such series. The Trustee also shall comply with TIA ss. 313(b). The Trustee shall also transmit by mail all reports if and as required by TIA ss. 313(c) and 313(d).

A copy of each report at the time of its mailing to Holders of a series of Securities shall be filed by the Company with the SEC and each securities exchange, if any, on which the Securities of such series are listed. The Company shall notify the Trustee if and when any series of Securities is listed on any securities exchange.

SECTION 7.07 Compensation and Indemnity.

The Company agrees to pay to the Trustee for its acceptance of this Indenture and services hereunder such compensation as the Company and the Trustee shall from time to time agree in writing. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Company agrees to reimburse the Trustee upon request for all reasonable disbursements, advances and expenses incurred by it. Such expenses shall include the reasonable compensation, disbursements and expenses of the Trustee's agents and counsel.

The Company hereby indemnifies the Trustee and any predecessor Trustee, their officers, directors, employees and agents for, and to hold them harmless against, any loss, liability, cost, claim or expense incurred without negligence or willful misconduct on its part, arising out of or in connection with the acceptance or administration of the trust or trusts hereunder, including the costs and expenses of defending themselves against any claim or liability (whether asserted by the Company, any Holder or any other person) in connection with the exercise or performance of any of their powers or duties hereunder. The Trustee shall notify the Company promptly of any claim for which it may seek indemnity. The Company shall defend the claim and the Trustee shall cooperate in the defense. The Trustee may have separate counsel and the Company shall pay the reasonable fees and expenses of such counsel. The Company need not pay for any settlement made without its consent, which consent shall not be unreasonably withheld.

The Company shall not be obligated to reimburse any expense or indemnify against any loss or liability incurred by the Trustee through the Trustee's negligence or willful misconduct.

To secure the payment obligations of the Company in this Section 7.07, the Trustee shall have a lien prior to the Securities on all money or property held or collected by the Trustee, except that held in trust to pay principal of, premium (if any) and interest on and any

Additional Amounts with respect to Securities of any series. Such lien and the indemnity obligation under this Section 7.07 shall survive the satisfaction and discharge of this Indenture.

When the Trustee incurs expenses or renders services after an Event of Default specified in Section 6.01(7) or (8) occurs with respect to the Company, the expenses and the compensation for the services are intended to constitute expenses of administration under any Bankruptcy Law.

Each and every remedy, power, right, claim, demand, cause of action, and immunity intended by this Indenture to be exercised by or vested in the Trustee shall be exercisable by and vested in any other role the Trustee may serve under this Indenture.

SECTION 7.08 Replacement of Trustee.

A resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon the successor Trustee's acceptance of appointment as provided in this Section 7.08.

The Trustee may resign and be discharged at any time with respect to the Securities of one or more series by so notifying the Company. The Holders of a majority in principal amount of the then outstanding Securities of any series may remove the Trustee with respect to the Securities of such series by so notifying the Trustee and the Company. The Company may remove the Trustee if:

- (1) the Trustee fails to comply with Section 7.10;
- (2) the Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Law;
- (3) a Bankruptcy Custodian or public officer takes charge of the Trustee or its property; or
- (4) the Trustee otherwise becomes incapable of acting.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, with respect to the Securities of one or more series, the Company shall promptly appoint a successor Trustee or Trustees with respect to the Securities of that or those series (it being understood that any such successor Trustee may be appointed with respect to the Securities of one or more or all of such series and that at any time there shall be only one Trustee with respect to the Securities of any particular series). Within one year after the successor Trustee with respect to the Securities of any series takes office, the Holders of a majority in principal amount of the Securities of such series then outstanding may appoint a successor Trustee to replace a successor Trustee appointed by the Company.

If a successor Trustee with respect to the Securities of any series does not take office within 30 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Company or the Holders of at least 10% in principal amount of the then outstanding Securities of

such series may petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

If the Trustee with respect to the Securities of a series fails to comply with Section 7.10, any Holder of Securities of such series may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee with respect to the Securities of such series.

In case of the appointment of a successor Trustee with respect to all Securities, each such successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Thereupon the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the retiring Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Holders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, subject to the right to deduct its unpaid fees and expenses and shall have no further duties or obligations hereunder.

In case of the appointment of a successor Trustee with respect to the Securities of one or more (but not all) series, the Company, the retiring Trustee and each successor Trustee with respect to the Securities of one or more (but not all) series shall execute and deliver an indenture supplemental hereto in which each successor Trustee shall accept such appointment and that (1) shall confer to each successor Trustee all the rights, powers and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates, (2) if the retiring Trustee is not retiring with respect to all Securities, shall confirm that all the rights, powers and duties of the retiring Trustee with respect to the Securities of that or those series as to which the retiring Trustee is not retiring shall continue to be vested in the retiring Trustee and (3) shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee. Nothing herein or in such supplemental indenture shall constitute such Trustees co-trustees of the same trust, and each such Trustee shall be trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Trustee. Upon the execution and delivery of such supplemental indenture, the resignation or removal of the retiring Trustee shall become effective to the extent provided therein and each such successor Trustee shall have all the rights, powers and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates. On request of the Company or any successor Trustee, such retiring Trustee shall transfer to such successor Trustee all property held by such retiring Trustee as Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates. Such retiring Trustee shall, however, have the right to deduct its unpaid fees and expenses, including attorneys' fees.

Notwithstanding replacement of the Trustee or Trustees pursuant to this Section 7.08, the obligations of the Company under Section 7.07 shall continue for the benefit of the retiring Trustee or Trustees.

SECTION 7.09 Successor Trustee by Merger, etc.

Subject to Section 7.10, if the Trustee consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation, the successor corporation without any further act shall be the successor Trustee; provided, however, that in the case of a transfer of all or substantially all of its corporate trust business to another corporation, the transferee corporation expressly assumes all of the Trustee's liabilities hereunder.

In case any Securities shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Securities so authenticated; and in case at that time any of the Securities shall not have been authenticated, any successor to the Trustee may authenticate such Securities either in the name of any predecessor hereunder or in the name of the successor to the Trustee; and in all such cases such certificates shall have the full force which it is anywhere in the Securities or in this Indenture provided that the certificate of the Trustee shall have.

SECTION 7.10 Eligibility; Disqualification.

There shall at all times be a Trustee hereunder which shall be a corporation organized and doing business under the laws of the United States, any State thereof or the District of Columbia and authorized under such laws to exercise corporate trust power, shall be subject to supervision or examination by United States Federal or State (or the District of Columbia) authority and shall have, or be a subsidiary of a bank or bank holding company having, a combined capital and surplus of at least \$50 million as set forth in its most recent published annual report of condition.

The Indenture shall always have a Trustee who satisfies the requirements of TIA ss. 310(a)(1), 310(a)(2) and 310(a)(5). The Trustee is subject to and shall comply with the provisions of TIA ss. 310(b) during the period of time required by this Indenture. Nothing in this Indenture shall prevent the Trustee from filing with the SEC the application referred to in the penultimate paragraph of TIA ss. 310(b).

SECTION 7.11 Preferential Collection of Claims Against Company.

The Trustee is subject to and shall comply with the provisions of TIA ss. 311(a), excluding any creditor relationship listed in TIA ss. 311(b). A Trustee who has resigned or been removed shall be subject to TIA ss. 311(a) to the extent indicated therein.

ARTICLE VIII

DISCHARGE OF INDENTURE

SECTION 8.01 Termination of Company's Obligations.

(a) This Indenture shall cease to be of further effect with respect to the Securities of a series (except that the Company's obligations under Section 7.07, the Trustee's

and Paying Agent's obligations under Section 8.03 and the rights, powers, protections and privileges accorded the Trustee under Article VII shall survive), and the Trustee, on demand of the Company, shall execute proper instruments acknowledging the satisfaction and discharge of this Indenture with respect to the Securities of such series, when:

(1) either

(A) all outstanding Securities of such series theretofore authenticated and issued (other than destroyed, lost or stolen Securities that have been replaced or paid) have been delivered to the Trustee for cancellation; or

(B) all outstanding Securities of such series not theretofore delivered to the Trustee for cancellation:

(i) have become due and payable, or

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

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

and, in the case of clause (i), (ii) or (iii) above, the Company has irrevocably deposited or caused to be deposited with the Trustee as funds (immediately available to the Holders in the case of clause (i)) in trust for such purpose (x) cash in an amount, or (y) Government Obligations, maturing as to principal and interest at such times and in such amounts as will ensure the availability of cash in an amount or (z) a combination thereof, which will be sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay and discharge the entire indebtedness on the Securities of such series for principal and interest to the date of such deposit (in the case of Securities which have become due and payable) or for principal, premium, if any, and interest to the Stated Maturity or Redemption Date, as the case may be; or

(C) the Company has properly fulfilled such other means of satisfaction and discharge as is specified, as contemplated by Section 2.01, to be applicable to the Securities of such series;

(2) the Company has paid or caused to be paid all other sums payable by it hereunder with respect to the Securities of such series;

(3) the Company has delivered to the Trustee an Officers' Certificate stating that all conditions precedent to satisfaction and discharge of this Indenture with respect to the Securities of such series have been complied with, together with an Opinion of Counsel to the same effect; and

(4) the Company has delivered irrevocable instructions to the Trustee to apply the deposited money toward the payment of such Securities at the date of Maturity or the Redemption Date, as the case may be.

(b) Unless this Section 8.01(b) is specified as not being applicable to Securities of a series as contemplated by Section 2.01, the Company may terminate certain of its obligations under this Indenture ("covenant defeasance") with respect to the Securities of a series if:

(1) the Company has irrevocably deposited or caused to be irrevocably deposited with the Trustee as trust funds in trust for the purpose of making the following payments, specifically pledged as security for and dedicated solely to the benefit of the Holders of Securities of such series, (i) money in the currency in which payment of the Securities of such series is to be made in an amount, or (ii) Government Obligations with respect to such series, maturing as to principal and interest at such times and in such amounts as will ensure the availability of money in the currency in which payment of the Securities of such series is to be made in an amount or (iii) a combination thereof, that is sufficient, in the opinion (in the case of (ii) and (iii)) of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay the principal of and premium (if any) and interest on all Securities of such series on each date that such principal, premium (if any) or interest is due and payable and (at the Stated Maturity thereof or upon redemption as provided in Section 8.01(e)) to pay all other sums payable by it hereunder; provided that the Trustee shall have been irrevocably instructed to apply such money and/or the proceeds of such Government Obligations to the payment of said principal, premium (if any) and interest with respect to the Securities of such series as the same shall become due;

(2) the Company has delivered to the Trustee an Officers' Certificate stating that all conditions precedent to satisfaction and discharge of this Indenture with respect to the Securities of such series have been complied with, and an Opinion of Counsel to the same effect;

(3) no Default or Event of Default with respect to the Securities of such series shall have occurred and be continuing on the date of such deposit;

(4) the Company shall have delivered to the Trustee an Opinion of Counsel from a nationally recognized counsel acceptable to the Trustee or a private letter ruling issued by the United States Internal Revenue Service to the effect that the Holders will not recognize income, gain or loss for United States Federal income tax purposes as a result of the Company's exercise of its option under this Section 8.01(b) and will be subject to United States Federal income tax on the same amount and in the same manner and at the same times as would have been the case if such option had not been exercised;

(5) the Company has complied with any additional conditions specified pursuant to Section 2.01 to be applicable to the discharge of Securities of such series pursuant to this Section 8.01; and

(6) such deposit and discharge shall not cause the Trustee to have a conflicting interest as defined in TIAss.310(b).

In such event, this Indenture shall cease to be of further effect (except as set forth in this paragraph), and the Trustee, on demand of the Company, shall execute proper instruments acknowledging satisfaction and discharge under this Indenture. However, the Company's obligations in Sections 2.05, 2.06, 2.07, 2.08, 2.09, 4.01, 4.02, 5.01, 7.07, 7.08 and 8.04, the Trustee's and Paying Agent's obligations in Section 8.03 and the rights, powers, protections and privileges accorded the Trustee under Article VII shall survive until all Securities of such series are no longer outstanding. Thereafter, only the Company's obligations in Section 7.07 and the Trustee's and Paying Agent's obligations in Section 8.03 shall survive with respect to Securities of such series.

After such irrevocable deposit made pursuant to this Section 8.01(b) and satisfaction of the other conditions set forth herein, the Trustee upon request shall acknowledge in writing the discharge of the Company's obligations under this Indenture with respect to the Securities of such series except for those surviving obligations specified above.

In order to have money available on a payment date to pay principal of or premium (if any) or interest on the Securities, the Government Obligations shall be payable as to principal or interest on or before such payment date in such amounts as will provide the necessary money. Government Obligations shall not be callable at the issuer's option.

(c) If the Company has previously complied or is concurrently complying with Section 8.01(b) (other than any additional conditions specified pursuant to Section 2.01 that are expressly applicable only to covenant defeasance) with respect to Securities of a series, then, unless this Section 8.01(c) is specified as not being applicable to Securities of such series as contemplated by Section 2.01, the Company may elect to be discharged ("legal defeasance") from its obligations to make payments with respect to Securities of such series, if:

(1) no Default or Event of Default under clauses (7) and (8) of Section 6.01 hereof shall have occurred with respect to the Company at any time during the period ending on the 91st day after the date of deposit contemplated by Section 8.01(b) (it being understood that this condition shall not be deemed satisfied until the expiration of such period);

(2) unless otherwise specified with respect to Securities of such series as contemplated by Section 2.01, the Company has delivered to the Trustee an Opinion of Counsel from a nationally recognized counsel acceptable to the Trustee to the effect referred to in Section 8.01(b) (4) with respect to such legal defeasance, which opinion is based on (i) a private ruling of the United States Internal Revenue Service addressed to the Company, (ii) a published ruling of the United States Internal Revenue Service or (iii) a change in the applicable United States Federal income tax law (including regulations) after the date of this Indenture;

(3) the Company has complied with any other conditions specified pursuant to Section 2.01 to be applicable to the legal defeasance of Securities of such series pursuant to this Section 8.01(c); and

(4) the Company has delivered to the Trustee a Company Request requesting such legal defeasance of the Securities of such series and an Officers' Certificate stating that all conditions precedent with respect to such legal defeasance of the Securities of such series have been complied with, together with an Opinion of Counsel to the same effect.

In such event, the Company will be discharged from its obligations under this Indenture and the Securities of such series to pay principal of, premium (if any) and interest on, and any Additional Amounts with respect to, Securities of such series, the Company's obligations under Sections 4.01, 4.02 and 5.01 shall terminate with respect to such Securities, and the entire indebtedness of the Company evidenced by such Securities shall be deemed paid and discharged.

(d) If and to the extent additional or alternative means of satisfaction, discharge or defeasance of Securities of a series are specified to be applicable to such series as contemplated by Section 2.01, the Company may terminate any or all of its obligations under this Indenture with respect to Securities of a series and any or all of its obligations under the Securities of such series if it fulfills such other means of satisfaction and discharge as may be so specified, as contemplated by Section 2.01, to be applicable to the Securities of such series.

(e) If Securities of any series subject to subsections (a), (b), (c) or (d) of this Section 8.01 are to be redeemed prior to their Stated Maturity, whether pursuant to any optional redemption provisions or in accordance with any mandatory or optional sinking fund provisions, the terms of the applicable trust arrangement shall provide for such redemption, and the Company shall make such arrangements as are reasonably satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company.

SECTION 8.02 Application of Trust Money.

The Trustee or a trustee satisfactory to the Trustee and the Company shall hold in trust money or Government Obligations deposited with it pursuant to Section 8.01 hereof. It shall apply the deposited money and the money from Government Obligations through the Paying Agent and in accordance with this Indenture to the payment of principal of, premium (if any) and interest on and any Additional Amounts with respect to the Securities of the series with respect to which the deposit was made.

SECTION 8.03 Repayment to Company.

The Trustee and the Paying Agent shall promptly pay to the Company upon written request any excess money or Government Obligations (or proceeds therefrom) held by them at any time upon the written request of the Company.

Subject to the requirements of any applicable abandoned property laws, the Trustee and the Paying Agent shall pay to the Company upon written request any money held by

them for the payment of principal, premium (if any), interest or any Additional Amounts that remains unclaimed for two years after the date upon which such payment shall have become due. After payment to the Company, Holders entitled to the money must look to the Company for payment as general creditors unless an applicable abandoned property law designates another Person, and all liability of the Trustee and the Paying Agent with respect to such money shall cease.

SECTION 8.04 Reinstatement.

If the Trustee or the Paying Agent is unable to apply any money or Government Obligations deposited with respect to Securities of any series in accordance with Section 8.01 by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the obligations of the Company under this Indenture with respect to the Securities of such series and under the Securities of such series shall be revived and reinstated as though no deposit had occurred pursuant to Section 8.01 until such time as the Trustee or the Paying Agent is permitted to apply all such money or Government Obligations in accordance with Section 8.01; provided, however, that if the Company has made any payment of principal of, premium (if any) or interest on or any Additional Amounts with respect to any Securities because of the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Securities to receive such payment from the money or Government Obligations held by the Trustee or the Paying Agent.

ARTICLE IX

SUPPLEMENTAL INDENTURES AND AMENDMENTS

SECTION 9.01 Without Consent of Holders.

The Company and the Trustee may amend or supplement this Indenture or the Securities or waive any provision hereof or thereof without the consent of any Holder:

(1) to cure any ambiguity, omission, defect or inconsistency;

(2) to comply with Section 5.01;

(3) to provide for uncertificated Securities in addition to or in place of certificated Securities, or to provide for the issuance of bearer Securities (with or without coupons);

(4) to provide any security for any series of Securities, to add guarantees of any series of Securities or to add one or more additional obligors of any series of Securities;

(5) to comply with any requirement in order to effect or maintain the qualification of this Indenture under the TIA;

(6) to add to the covenants of the Company for the benefit of the Holders of all or any series of Securities (and if such covenants are to be for the benefit of less than all series of Securities, stating that such covenants are expressly being included solely for the benefit of such series), or to surrender any right or power herein conferred upon the Company;

(7) to add any additional Events of Default with respect to all or any series of the Securities (and, if any such Event of Default is applicable to less than all series of Securities, specifying the series to which such Event of Default is applicable);

(8) to change or eliminate any of the provisions of this Indenture; provided that any such change or elimination shall become effective only when there is no outstanding Security of any series created prior to the execution of such amendment or supplemental indenture that is adversely affected in any material respect by such change in or elimination of such provision;

(9) to establish the form or terms of Securities of any series as permitted by Section 2.01;

(10) to supplement any of the provisions of this Indenture to such extent as shall be necessary to permit or facilitate the defeasance and discharge of any series of Securities pursuant to Section 8.01; provided, however, that any such action shall not adversely affect the interest of the Holders of Securities of such series or any other series of Securities in any material respect; or

(11) to evidence and provide for the acceptance of appointment hereunder by a successor Trustee with respect to the Securities of one or more series and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, pursuant to the requirements of Section 7.08.

Upon the request of the Company, accompanied by a Board Resolution, and upon receipt by the Trustee of the documents described in Section 9.06, the Trustee shall, subject to Section 9.06, join with the Company in the execution of any supplemental indenture authorized or permitted by the terms of this Indenture and make any further appropriate agreements and stipulations that may be therein contained.

SECTION 9.02 With Consent of Holders.

Except as provided below in this Section 9.02, the Company and the Trustee may amend or supplement this Indenture with the written consent (including consents obtained in connection with a tender offer or exchange offer for Securities of any one or more series or all series or a solicitation of consents in respect of Securities of any one or more series or all series, provided that in each case such offer or solicitation is made to all Holders of then outstanding Securities of each such series (but the terms of such offer or solicitation may vary from series to series)) of the Holders of at least a majority in principal amount of the then outstanding Securities of all series affected by such amendment or supplement (acting as one class).

Upon the request of the Company, accompanied by a Board Resolution, and upon the filing with the Trustee of evidence of the consent of the Holders as aforesaid, and upon receipt by the Trustee of the documents described in Section 9.06, the Trustee shall, subject to Section 9.06, join with the Company in the execution of such amendment or supplemental indenture.

It shall not be necessary for the consent of the Holders under this Section 9.02 to approve the particular form of any proposed amendment, supplement or waiver, but it shall be sufficient if such consent approves the substance thereof.

The Holders of a majority in principal amount of the then outstanding Securities of one or more series (or of all series with respect to the covenants in Sections 4.07 and 4.08) may waive compliance in a particular instance by the Company with any provision of this Indenture with respect to Securities of such series (including waivers obtained in connection with a tender offer or exchange offer for Securities of such series or a solicitation of consents in respect of Securities of such series, provided that in each case such offer or solicitation is made to all Holders of then outstanding Securities of such series (but the terms of such offer or solicitation may vary from series to series)).

However, without the consent of each Holder affected, an amendment, supplement or waiver under this Section 9.02 may not:

(1) reduce the amount of Securities whose Holders must consent to an amendment, supplement or waiver;

(2) reduce the rate of accrual of interest or change the time for payment of interest, including default interest, on any Security;

(3) reduce the principal of, premium on or any mandatory sinking fund payment with respect to, or change the Stated Maturity of, any Security or reduce the amount of the principal of an Original Issue Discount Security that would be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 6.02;

(4) reduce the price (including premium, if any) payable upon the redemption of any Security or change the time at which any Security may or shall be redeemed;

(5) change any obligation of the Company to pay Additional Amounts with respect to any Security;

(6) change the coin or currency or currencies (including composite currencies) in which any Security or any premium, interest or Additional Amounts with respect thereto are payable;

(7) impair the right to institute suit for the enforcement of any payment of principal of, premium (if any) or interest on or any Additional Amounts with respect to any Security pursuant to Sections 6.07 and 6.08, except as limited by Section 6.06;

(8) make any change in the percentage of principal amount of Securities necessary to waive compliance with certain provisions of this Indenture pursuant to Section 6.04 or 6.07 or make any change in this sentence of Section 9.02;

(9) waive a continuing Default or Event of Default in the payment of principal of, premium (if any) or interest on or Additional Amounts with respect to the Securities; or

(10) if applicable, adversely affect the conversion rights under the Securities.

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

The right of any Holder to participate in any consent required or sought pursuant to any provision of this Indenture (and the obligation of the Company to obtain any such consent otherwise required from such Holder) may be subject to the requirement that such Holder shall have been the Holder of record of any Securities with respect to which such consent is required or sought as of a date identified by the Company in a notice furnished to Holders in accordance with the terms of this Indenture.

After an amendment, supplement or waiver under this Section 9.02 becomes effective, the Company shall mail to the Holders of each Security affected thereby a notice briefly describing the amendment, supplement or waiver. Any failure of the Company to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such amendment, supplement or waiver.

SECTION 9.03 Compliance with Trust Indenture Act.

Every amendment or supplement to this Indenture or the Securities shall comply in form and substance with the TIA as then in effect.

SECTION 9.04 Revocation and Effect of Consents.

Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder is a continuing consent by the Holder and every subsequent Holder of a Security or portion of a Security that evidences the same debt as the consenting Holder's Security, even if notation of the consent is not made on any Security. However, any such Holder or subsequent Holder may revoke the consent as to his or her Security or portion of a Security if the Trustee receives written notice of revocation before the date the amendment, supplement or waiver becomes effective. An amendment, supplement or waiver becomes effective in accordance with its terms and thereafter binds every Holder.

The Company may, but shall not be obligated to, fix a record date (which need not comply with TIA (S) 316(c)) for the purpose of determining the Holders entitled to consent to any amendment, supplement or waiver or to take any other action under this Indenture. If a

record date is fixed, then notwithstanding the provisions of the immediately preceding paragraph, those Persons who were Holders at such record date (or their duly designated proxies), and only those Persons, shall be entitled to consent to such amendment, supplement or waiver or to revoke any consent previously given, whether or not such Persons continue to be Holders after such record date. No consent shall be valid or effective for more than 90 days after such record date unless consents from Holders of the principal amount of Securities required hereunder for such amendment or waiver to be effective shall have also been given and not revoked within such 90-day period.

After an amendment, supplement or waiver becomes effective, it shall bind every Holder, unless it is of the type described in any of clauses (1) through (9) of Section 9.02 hereof. In such case, the amendment, supplement or waiver shall bind each Holder who has consented to it and every subsequent Holder that evidences the same debt as the consenting Holder's Security.

SECTION 9.05 Notation on or Exchange of Securities.

If an amendment or supplement changes the terms of an outstanding Security, the Company may require the Holder of the Security to deliver it to the Trustee. The Trustee may place an appropriate notation on the Security at the request of the Company regarding the changed terms and return it to the Holder. Alternatively, if the Company so determines, the Company in exchange for the Security shall issue and the Trustee shall authenticate a new Security that reflects the changed terms. Failure to make the appropriate notation or to issue a new Security shall not affect the validity of such amendment or supplement.

Securities of any series authenticated and delivered after the execution of any amendment or supplement may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such amendment or supplement.

SECTION 9.06 Trustee to Sign Amendments, etc.

The Trustee shall sign any amendment or supplement authorized pursuant to this Article if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee. If it does, the Trustee may, but need not, sign it. In signing or refusing to sign such amendment or supplement, the Trustee shall be entitled to receive, and, subject to Section 7.01 hereof, shall be fully protected in relying upon, an Opinion of Counsel provided at the expense of the Company as conclusive evidence that such amendment or supplement is authorized or permitted by this Indenture, that it is not inconsistent herewith, and that it will be valid and binding upon the Company in accordance with its terms.

ARTICLE X

MISCELLANEOUS

SECTION 10.01 Trust Indenture Act Controls.

If any provision of this Indenture limits, qualifies or conflicts with the duties imposed by operation of TIA (S) 318(c), the imposed duties shall control.

SECTION 10.02 Notices.

Any notice or communication by the Company or the Trustee to the other is duly given if in writing and delivered in person or mailed by first-class mail (registered or certified, return receipt requested), telex, facsimile or overnight air courier guaranteeing next day delivery, to the other's address:

If to the Company:

Schlumberger Limited
153 East 53rd Street
57th Floor
New York, New York 10022
Attention: General Counsel
Facsimile: (212) 350-9401

If to the Trustee:

Citibank, N.A.
111 Wall Street
14th Floor
New York, New York 10005
Attention: Nancy Forte
Facsimile: (212) 657-4009

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

All notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; five Business Days after being deposited in the mail, postage prepaid, if mailed; when answered back, if telexed; when receipt acknowledged, if by facsimile; and the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery.

Any notice or communication to a Holder shall be mailed by first-class mail, postage prepaid, to the Holder's address shown on the register kept by the Registrar. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

If a notice or communication is mailed in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it, except in the case of notice to the Trustee, it is duly given only when received.

If the Company mails a notice or communication to Holders, it shall mail a copy to the Trustee and each Agent at the same time.

All notices or communications, including without limitation notices to the Trustee or the Company by Holders, shall be in writing, except as otherwise set forth herein.

In case by reason of the suspension of regular mail service, or by reason of any other cause, it shall be impossible to mail any notice required by this Indenture, then such method of notification as shall be made with the approval of the Trustee shall constitute a sufficient mailing of such notice.

SECTION 10.03 Communication by Holders with Other Holders.

Holder may communicate pursuant to TIA (S) 312(b) with other Holders with respect to their rights under this Indenture or the Securities. The Company, the Trustee, the Registrar and anyone else shall have the protection of TIA (S) 312(c).

SECTION 10.04 Certificate and Opinion as to Conditions Precedent.

Upon any request or application by the Company to the Trustee to take any action under this Indenture, the Company shall, if requested by the Trustee, furnish to the Trustee at the expense of the Company:

(1) an Officers' Certificate (which shall include the statements set forth in Section 10.05) stating that, in the opinion of the signers, all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(2) an Opinion of Counsel (which shall include the statements set forth in Section 10.05 hereof) stating that, in the opinion of such counsel, all such conditions precedent and covenants have been complied with.

SECTION 10.05 Statements Required in Certificate or Opinion.

Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture (other than a certificate provided pursuant to TIA (S) 314(a)(4)) shall comply with the provisions of TIA (S) 314(e) and shall include:

(1) a statement that the Person making such certificate or opinion has read such covenant or condition;

(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 such Person, he or she has made such examination or investigation as is necessary to enable him or her 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 or not, in the opinion of such Person, such condition or covenant has been complied with.

SECTION 10.06 Rules by Trustee and Agents.

The Trustee may make reasonable rules for action by or at a meeting of Holders. The Registrar or the Paying Agent may make reasonable rules and set reasonable requirements for its functions.

SECTION 10.07 Legal Holidays.

If a payment date is a Legal Holiday at a Place of Payment, payment may be made at that place on the next succeeding day that is not a Legal Holiday, and no interest shall accrue for the intervening period.

SECTION 10.08 No Recourse Against Others.

A director, officer, employee, stockholder, partner or other owner of the Company or the Trustee, as such, shall not have any liability for any obligations of the Company under the Securities or for any obligations of the Company or the Trustee under this Indenture or for any claim based on, in respect of or by reason of such obligations or their creation. Each Holder by accepting a Security waives and releases all such liability. The waiver and release shall be part of the consideration for the issue of Securities.

SECTION 10.09 Governing Law.

THIS INDENTURE AND THE SECURITIES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAWS TO THE EXTENT THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

SECTION 10.10 No Adverse Interpretation of Other Agreements.

This Indenture may not be used to interpret another indenture, loan or debt agreement of the Company or any other Subsidiary of the Company. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

SECTION 10.11 Successors.

All agreements of the Company in this Indenture and the Securities shall bind its successors. All agreements of the Trustee in this Indenture shall bind its successors.

SECTION 10.12 Severability.

In case any provision in this Indenture or in the Securities shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall, to the fullest extent permitted by applicable law, not in any way be affected or impaired thereby.

SECTION 10.13 Counterpart Originals.

The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

SECTION 10.14 Table of Contents, Headings, etc.

The table of contents, cross-reference table and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part hereof and shall in no way modify or restrict any of the terms or provisions hereof.

SECTION 10.15 Jurisdiction; Waiver.

The Company hereby irrevocably and unconditionally submits to the nonexclusive jurisdiction of any United States Federal or New York State court located in the Borough of Manhattan, The City of New York, New York over any suit, action or proceeding arising out of or relating to this Indenture or any Security. The Company irrevocably and unconditionally waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in such a court and any claim that any such suit, action or proceeding brought in such a court has been brought in an inconvenient forum. To the extent that the Company has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process with respect to itself or its property, the Company irrevocably waives such immunity in respect of its obligations hereunder or under any Security. The Company hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding out of or relating to this Indenture, the Securities or the transactions contemplated thereby.

The Company hereby irrevocably waives, to the fullest extent permitted by law, any requirement or other provision of law, rule, regulation or practice which requires or otherwise establishes as a condition to the institution, prosecution or completion of any suit, action or proceeding (including appeals) arising out of or relating to this Indenture or any Security, the posting of any bond or the furnishing, directly or indirectly, of any other security.

ARTICLE XI

MEETINGS OF HOLDERS

SECTION 11.01 Purposes for Which Meetings May Be Called.

A meeting of Holders may be called at any time and from time to time pursuant to this Article to make, give or take any request, demand, authorization, direction, notice, consent, election, waiver or other action provided by this Indenture to be made, given or taken by Holders and otherwise to consider any matter affecting the interests of Holders.

SECTION 11.02 Call, Notice and Place of Meetings.

The Trustee may (subject to its being indemnified to its satisfaction against all costs and expenses thereby incurred) at any time call a meeting of Holders for any purpose specified in Section 11.01, to be held at such time and at such place as the Trustee shall determine. Notice of every meeting of Holders, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, shall be given, in the manner provided in Section 10.02, not less than 21 nor more than 180 days prior to the date fixed for the meeting.

In case at any time the Company or the Holders of at least a majority in principal amount of the then outstanding Securities (or of a series, as the case may be) shall have requested the Trustee to call a meeting of the Holders for any purpose specified in Section 11.01, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have given notice of such meeting within 21 days after receipt of such request or shall not thereafter proceed to cause the meeting to be held as provided herein, then the Company or the Holders in the amount above specified, as the case may be, may determine the time and the place for such meeting and may call such meeting for such purposes by giving notice thereof to the Trustee and as provided in the immediately preceding paragraph.

SECTION 11.03 Persons Entitled to Vote at Meetings.

Whenever in this Indenture it is provided that the Holders of a specified percentage in aggregate principal amount of Securities may take any action (including the making of any demand or request, the giving of any notice, consent or waiver or the taking of any other action), the fact that at the time of taking any such action the Holders of such specified percentage have joined therein may be evidenced by (1) one or more instruments of substantially similar tenor signed by such Holders in person or by an agent or proxy duly appointed in writing, (2) the record of Holders voting in favor thereof, either in person or by proxies duly appointed in writing, at any meeting of the Holders duly called and held in accordance with this Article, or (3) a combination of such instruments and such record. Except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments or record or both are delivered to the Trustee. Proof of execution of any instrument or of a written appointment of any such agent or proxy shall be sufficient for purposes of this Indenture and (subject to the requirements of the TIA and Section 7.02) conclusive in favor of the Trustee and the Company, if made in the manner provided in this Article.

The only Persons who shall be entitled to be present or to speak at any meeting of Holders shall be the Persons entitled to vote at such meeting and their counsel, and representatives of the Trustee and its counsel and any representatives of the Company and its counsel.

SECTION 11.04 Quorum; Action.

One or more Persons entitled to vote a majority in principal amount of the then outstanding Securities shall constitute a quorum.

In the absence of a quorum within 30 minutes of the time appointed for any such meeting, the meeting may be adjourned for a period of not less than 10 days as determined by the chairman of the meeting prior to the adjournment of such meeting. In the absence of a quorum at any such adjourned meeting, such adjourned meeting may be further adjourned for a period of not less than 10 days as determined by the chairman of the meeting prior to the adjournment of such adjourned meeting. Notice of the reconvening of any adjourned meeting shall be given as provided in Section 11.02, except that such notice need only be given not less than five days prior to the date on which the meeting is scheduled to be reconvened. Notice of the reconvening of an adjourned meeting shall state expressly the percentage of the principal amount of the then outstanding Securities which shall constitute a quorum. Any Holder who has executed an instrument in writing appointing a person as proxy shall be deemed to be present for the purposes of determining a quorum and be deemed to have voted; provided that such Holder shall be considered as present or voting only with respect to the matters covered by such instrument in writing (which may include authorization to vote on any other matters as may come before the meeting).

Any modifications, amendments or waivers to this Indenture or the terms and conditions of the Securities, and the adoption of any resolution of the Holders as provided in this Indenture, shall require the consent of the Holders of the percentage in principal amount of the then outstanding Securities required herein to take such action.

Any modification, amendment or waiver approved in accordance with the provisions of this Article shall be binding on all the Holders of Securities, whether or not present or represented at the meeting.

SECTION 11.05 Determination of Voting Rights; Conduct and Adjournment of Meetings.

Notwithstanding any other provisions of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of Holders in regard to proof of the holding of Securities and of the appointment of proxies and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall deem appropriate. Except as otherwise permitted or required by any such regulations, the holding of Securities shall be proved in the manner specified in Section 11.03 and the appointment of any proxy shall be proved in the manner specified in Section 11.03 or by having the signature of the person executing the proxy witnessed or guaranteed by any trust company, bank or banker to certify to the holding of Securities satisfactory to the Trustee. Such regulations may provide that written instruments appointing proxies, regular on their face, may be presumed valid and genuine without the proof specified in Section 11.03 or other proof.

The Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Company or by Holders as provided in Section 11.02, in which case the Company or the Holders calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of the Persons entitled to vote a majority in principal amount of the then outstanding Securities represented at the meeting.

No vote shall be cast or counted at any meeting in respect of any Securities challenged as not then outstanding and ruled by the chairman of the meeting to be not then outstanding. The chairman of the meeting shall have no right to vote, except as a Holder of a Security or proxy.

Any meeting of Holders duly called pursuant to Section 11.02 at which a quorum is present may be adjourned from time to time by Persons entitled to vote a majority in principal amount of the then outstanding Securities represented at the meeting; and the meeting may be held as so adjourned without further notice.

SECTION 11.06 Counting Votes and Recording Action of Meetings.

The vote upon any resolution submitted to any meeting of Holders shall be by written ballots on which shall be subscribed the signatures of the Holders or of their representatives by proxy and the principal amounts and serial numbers of the then outstanding Securities held or represented by them. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record, at least in duplicate, of the proceedings of each meeting of Holders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was given as provided in Section 11.02 and, if applicable, Section 11.04. Each copy shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting and one such copy shall be delivered to the Company and another to the Trustee to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting. Any record so signed and verified shall be conclusive evidence of the matters therein stated.

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

SCHLUMBERGER LIMITED

By: /s/ Michel Soublin

Name: Michel Soublin

Title: Treasurer

CITIBANK, N.A.,
as Trustee

By: /s/ Nancy Forte

Name: Nancy Forte

Title: Assistant Vice President

SCHLUMBERGER LIMITED

1.500% Series A Convertible Debentures due 2023
2.125% Series B Convertible Debentures due 2023

FIRST SUPPLEMENTAL INDENTURE

Dated as of June 9, 2003

Schlumberger Limited

ISSUER

Citibank, N.A.

TRUSTEE

TABLE OF CONTENTS

Page

ARTICLE I
RELATION TO BASE INDENTURE; DEFINITIONS

Section 1.1	Relation to Base Indenture	1
Section 1.2	Certain Definitions	1
Section 1.3	Rules of Construction	3
Section 1.4	Other Definitions	3

ARTICLE II
THE SECURITIES

Section 2.1	Form and Dating	5
Section 2.2	Limitation on Aggregate Principal Amount of the Debentures	6
Section 2.3	Conversion Agent	6
Section 2.4	Transfer and Exchange	6
Section 2.5	Transfer Restriction	7

ARTICLE III
REDEMPTION AND PURCHASES

Section 3.1	Company's Right to Redeem	7
Section 3.2	Selection of Debentures To Be Redeemed	7
Section 3.3	Notice of Redemption	7
Section 3.4	Effect of Notice of Redemption	8
Section 3.5	Purchase of Debentures by the Company at Option of the Holder	8
Section 3.6	Purchase of Debentures at Option of the Holder upon a Fundamental Change .	14
Section 3.7	Effect of Purchase Notice or Fundamental Change Purchase Notice	21
Section 3.8	Deposit of Purchase Price or Fundamental Change Purchase Price	22
Section 3.9	Debentures Purchased in Part	22
Section 3.10	Covenant to Comply With Securities Laws Upon Purchase of Debentures	22
Section 3.11	Repayment to the Company	23
Section 3.12	Redemption Upon Changes in Withholding Taxes	23

TABLE OF CONTENTS
(continued)

	Page
ARTICLE IV COVENANTS	
Section 4.1	Payment of Additional Amounts 24
ARTICLE V DEFAULTS AND REMEDIES	
Section 5.1	Events of Default 26
ARTICLE VI AMENDMENTS	
Section 6.1	Without Consent of Holders 27
Section 6.2	With Consent of Holders 27
ARTICLE VII CONVERSIONS	
Section 7.1	Conversion Privilege 27
Section 7.2	Conversion Procedure 28
Section 7.3	Fractional Shares 28
Section 7.4	Taxes on Conversion 29
Section 7.5	Company to Provide Stock 29
Section 7.6	Adjustment for Change in Capital Stock 29
Section 7.7	Adjustment for Rights Issue 30
Section 7.8	Adjustment for Other Distributions 31
Section 7.9	Adjustment for Company Tender Offer 33
Section 7.10	When Adjustment May Be Deferred 34
Section 7.11	When No Adjustment Required 34
Section 7.12	Notice of Adjustment 35
Section 7.13	Voluntary Increase 35
Section 7.14	Notice of Certain Transactions 35
Section 7.15	Reorganization of Company; Special Distributions 35
Section 7.16	Company Determination Final 36
Section 7.17	Trustee's Adjustment Disclaimer 36
Section 7.18	Simultaneous Adjustments 37

TABLE OF CONTENTS
(continued)

		Page
Section 7.19	Successive Adjustments	37
Section 7.20	Restriction on Common Stock Issuable Upon Conversion	37
ARTICLE VIII MISCELLANEOUS		
Section 8.1	Defeasance	38
Section 8.2	Notices	39
Section 8.3	Separability Clause	39
Section 8.4	Rules by Trustee, Paying Agent, Conversion Agent and Registrar ..	39
Section 8.5	Legal Holidays	39
Section 8.6	GOVERNING LAW	39
Section 8.7	Multiple Originals	39

Schlumberger Limited

FIRST SUPPLEMENTAL INDENTURE

FIRST SUPPLEMENTAL INDENTURE dated as of June 9, 2003 between Schlumberger Limited (Schlumberger N.V.), a Netherlands Antilles corporation established in Curacao (the "Company"), and Citibank, N.A., a national banking association organized under the laws of the United States of America, as trustee (the "Trustee").

RECITALS

The Company and the Trustee have heretofore executed an Indenture (the "Base Indenture" and, together with this Supplemental Indenture, the "Indenture"), dated as of June 9, 2003, providing for the issuance from time to time of the Company's debt securities to be issued in one or more series as therein provided.

Section 2.01 of the Base Indenture provides for various matters with respect to any series of Securities issued under the Base Indenture to be established in an indenture supplemental to the Base Indenture.

Section 9.01 of the Base Indenture provides for the Company and the Trustee to enter into an indenture supplemental to the Base Indenture to establish the form or terms of Securities of any series as provided in Section 2.01 of the Base Indenture.

For and in consideration of the promises and the issuance of the Debentures provided for herein, it is mutually covenanted and agreed, for the equal and ratable benefit of the Holders of the Debentures, as follows:

ARTICLE I

RELATION TO BASE INDENTURE; DEFINITIONS

Section 1.1 Relation to Base Indenture

This Supplemental Indenture constitutes an integral part of the Indenture. In the event of inconsistencies between the Base Indenture and this Supplemental Indenture, the terms hereof shall govern, except to the extent that the provisions in the Base Indenture are required by the TIA in which case the Base Indenture shall govern.

Section 1.2 Certain Definitions

"Capital Stock" for any Person means any and all shares, interests, participations or other equivalents, however designated of corporate stock or other equity participations, including partnership interests, whether general or limited, of such Person and any rights (other than debt securities convertible or exchangeable into an equity interest), warrants or options to acquire an equity interest in such Person.

"Certificated Securities" means Securities that are in the form of the Securities attached hereto as Exhibit A-3 and Exhibit A-4.

"Common Stock" means the Common Stock, par value \$0.01 per share, of the Company as it exists on the date of this Supplemental Indenture or any other shares of Capital Stock of the Company into which the Common Stock shall be reclassified or changed.

"Debentures" means any of the Company's Series A Debentures and Series B Debentures.

"Global Securities" means Securities that are in the form of the Debentures attached hereto as Exhibit A-1 and Exhibit A-2, and that are issued to a Depository.

"Initial Purchasers" means the initial purchasers named in Schedule I of the Purchase Agreement.

"Issue Date" of any Debenture means the date on which the Debenture was originally issued or deemed issued as set forth on the face of the Debenture.

"Market Capitalization" means an amount determined by multiplying the number of shares of Common Stock outstanding on the applicable date by the Closing Sale Price as of such date.

"NYSE" means The New York Stock Exchange.

"Principal Amount" of a Debenture means the amount of principal as set forth on the face of the Debenture.

"Purchase Agreement" means the Purchase Agreement, dated June 4, 2003, between the Company and the Initial Purchasers in connection with the sale of the Debentures.

"Registration Rights Agreement" means the Registration Rights Agreement dated as of June 9, 2003, between the Company and the Initial Purchasers.

"Series A Debentures" means any of the Company's 1.500% Series A Convertible Debentures due 2023, as amended or supplemented from time to time, issued under this Supplemental Indenture.

"Series B Debentures" means any of the Company's 2.125% Series B Convertible Debentures due 2023, as amended or supplemented from time to time, issued under this Supplemental Indenture.

"Shelf Registration Statement" shall have the meaning set forth in the Registration Rights Agreement.

"Supplemental Indenture" means this First Supplemental Indenture dated as of June 9, 2003.

"TIA" means the Trust Indenture Act of 1939 as in effect on the date of this Indenture, provided, however, that in the event the TIA is amended after such date, TIA means, to the extent required by any such amendment, the TIA as so amended.

"trading day" means a day, other than an abbreviated trading day, during which trading in securities generally occurs on the NYSE or, if the shares of Common Stock are not listed on the NYSE, on the principal other U.S. national or regional securities exchange or market on which the shares of Common Stock are then listed or quoted or, if the shares of Common Stock are not listed or quoted on a U.S. national or regional securities exchange or market, on the principal other market on which the shares of Common Stock are then traded.

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

Section 1.3 Rules of Construction

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

(a) capitalized terms used herein without definition and not defined in the TIA have the meanings specified in the Base Indenture;

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

(c) all other terms used herein and defined in the TIA, either directly or by reference therein, have the meanings assigned to them therein;

(d) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP, and, except as otherwise herein expressly provided, the term "GAAP" with respect to any computation required or permitted hereunder means such accounting principles as are generally accepted in the United States;

(e) unless the context otherwise requires, any reference to an "Article" or a "Section" refers to an Article or a Section, as the case may be, of this Supplemental Indenture; and

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

Section 1.4 Other Definitions

Term Section:	Defined in:
- - - - -	- - - - -
"Base Indenture".	Preamble

"beneficial owner"	3.6(a)
"cash"	3.5(b)
"Clearstream"	2.1(b)
"Closing Sale Price"	3.5(d)
"Company Notice"	3.5(e)
"Company Notice Date"	3.6(d)
"Continuing Director"	3.6(a)
"Conversion Agent"	2.3
"Conversion Date"	7.2
"Conversion Rate"	7.1
"Euroclear"	2.1(b)
"Ex-Dividend Time"	7.7
"Expiration Time"	7.9
"Extraordinary Cash Dividend"	7.8
"Fundamental Change"	3.6(a)
"Fundamental Change Notice"	3.6(b)
"Fundamental Change Notice Date"	3.6(b)
"Fundamental Change Purchase Date"	3.6(a)
"Fundamental Change Purchase Notice"	3.6(c)
"Fundamental Change Purchase Price"	3.6(a)
"Indenture"	Preamble
"issuer tender offer"	3.12
"Market Price"	3.7(d)
"Purchase Date"	3.5(a)
"Purchase Notice"	3.5(a) (1)

"Purchase Price"	3.5(a)
"Purchased Shares"	7.9
"Restricted Common Stock Legend"	7.20
"Spin-off"	7.8
"Taxes"	4.1
"Taxing Authority"	3.12
"Termination of Trading"	3.6(a)(3)
"Time of Determination"	7.7
"Trustee"	Preamble
"Withholding Tax Redemption"	3.12

ARTICLE II

THE SECURITIES

Section 2.1 Form and Dating

(a) The Debentures and the Trustee's certificate of authentication shall be substantially in the form of Exhibits A-1 and A-2, which is a part of this Indenture. The Debentures may have notations, legends or endorsements required by law, stock exchange rule or usage (provided that any such notation, legend or endorsement required by usage is in a form acceptable to the Company.) The Company shall provide any such notations, legends or endorsements to the Trustee in writing. The Debentures shall be dated the date of their authentication. The Debentures shall be issued in fully registered form, without coupons, in denominations of \$1,000 of Principal Amount and integral multiples of \$1,000.

(b) Rule 144A/ Regulation S Global Securities. The Debentures are being offered and sold only (i) in reliance on Regulation S or (ii) to QIBs in reliance on Rule 144A and shall be issued in the form of one or more permanent Global Securities substantially in the form of Exhibits A-1 and A-2. Such Global Securities shall be deposited on behalf of the purchasers of the Debentures represented thereby with the Trustee, as custodian for the Depositary, and registered in the name of the Depositary or a nominee of the Depositary for the accounts of participants in the Depositary (and, in the case of Debentures held in accordance with Regulation S, registered with the Depositary for the accounts of designated agents holding on behalf of the Euroclear S.A./N.V., as operator of the Euroclear System ("Euroclear") or Clearstream Banking, societe anonyme ("Clearstream")), duly executed by the Company and authenticated by the Trustee as hereinafter provided. The aggregate Principal Amount of a Global Security may from time to time be increased or decreased by adjustments made on the records of the Trustee and the Depositary or its nominee as hereinafter provided.

(c) The Debentures are entitled to the benefit of Section 4.03(b) of the Base Indenture. The Debentures shall be subject to the provisions of Sections 2.18 and 2.20 of the Base Indenture, provided that Debentures may not be sold to IAIs as contemplated by subclause (B) of the first paragraph of Section 2.18 of the Base Indenture, will not be issued as Offshore Global Securities as contemplated by the third paragraph of Section 2.18 of the Base Indenture and that the provisions of Section 2.20(a) of the Base Indenture shall not apply to the Debentures. The Debentures shall not be subject to the provisions of Sections 2.19 of the Base Indenture. The Debentures shall contain the applicable legends set forth in Exhibits A-1, A-2, A-3 or A-4 (the "Legend") and transfers of the Debentures shall be made only in accordance with the restrictions described in the applicable Legend.

Section 2.2 Limitation on Aggregate Principal Amount of the Debentures.

The aggregate Principal Amount of the Series A Debentures shall be limited to \$975 million, and the aggregate Principal Amount of the Series B Debentures shall be limited to \$525 million.

Section 2.3 Conversion Agent

In addition to maintaining a Registrar and a Paying Agent as required by Section 2.05 of the Base Indenture, the Company shall maintain an office or agency where Debentures may be presented for conversion ("Conversion Agent"). The term Conversion Agent includes any additional conversion agent the Company may name from time to time.

The Company shall enter into an appropriate agency agreement with any Conversion Agent (other than the Trustee). The agreement shall implement the provisions of this Indenture that relate to such agent. The Company shall notify the Trustee of the name and address of any such agent. If the Company fails to maintain a Conversion Agent, the Trustee shall act as such and shall be entitled to appropriate compensation therefor pursuant to Section 7.07 of the Base Indenture. The Company or any Subsidiary or an Affiliate of either of them may act as Conversion Agent.

The Company initially appoints the Trustee as Conversion Agent in connection with the Debentures.

Section 2.4 Transfer and Exchange.

In addition to the provision contained in Section 2.08 of the Base Indenture, if Debentures are issued upon the transfer, exchange or replacement of Debentures subject to restrictions on transfer and bearing the Legends set forth on the forms of Debenture attached hereto as Exhibits A-1, A-2, A-3 or A-4, as the case may be, setting forth such restrictions, or if a request is made to remove the Legend on a Debenture, the Debentures so issued shall bear the Legend, or the Legend shall not be removed, as the case may be, unless there is delivered to the Company and the Registrar such satisfactory evidence (which in the case of a transfer pursuant to Rule 144 under the Securities Act may include an Opinion of Counsel), as may be reasonably required by the Company and the Registrar, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure that transfers thereof comply with the provisions

of Rule 144A, Regulation S or Rule 144 under the Securities Act or that such Debentures are not "restricted" within the meaning of Rule 144 under the Securities Act. Upon (i) provision of such satisfactory evidence, or (ii) notification by the Company to the Trustee and Registrar of the sale of such Debenture pursuant to a registration statement that is effective at the time of such sale, the Trustee, at the written direction of the Company, shall authenticate and deliver a Debenture that does not bear the Legend. If the Legend is removed from the face of a Debenture and the Debenture is subsequently held by the Company or an Affiliate of the Company, the applicable Legend shall be reinstated.

Section 2.5 Transfer Restrictions.

The Company agrees that it will refuse to register any transfer of any Debentures or any shares of Common Stock issued upon conversion of any Debentures that is not made in accordance with the provisions of Regulation S, pursuant to a registration statement which has been declared effective under the Securities Act or pursuant to an available exemption from the registration requirements of the Securities Act; provided that the provisions of this paragraph shall not be applicable to any Debentures which do not bear a Legend or to any shares of Common Stock issued upon conversion thereof evidenced by certificates which do not bear a Restricted Common Stock Legend.

ARTICLE III

REDEMPTION AND PURCHASES

Section 3.1 Company's Right to Redeem.

The Company, at its option, may redeem either series of the Debentures in accordance with the provisions of Paragraph 5 of that series of Debentures.

Section 3.2 Selection of Debentures To Be Redeemed.

If any Debenture selected for partial redemption is converted in part before termination of the conversion right with respect to the portion of the Debenture so selected, the converted portion of such Debenture shall be deemed (so far as may be) to be the portion selected for redemption. Debentures which have been converted during a selection of Debentures to be redeemed may be treated by the Trustee as outstanding for the purpose of such selection.

Section 3.3 Notice of Redemption.

In addition to the requirements of Section 3.04 of the Base Indenture, notices of redemption of the Debentures shall also state:

- (a) the then existing Conversion Rate;
- (b) the name and address of the Conversion Agent;

(c) that Debentures called for redemption may be converted at any time before the close of business on the Business Day preceding the Redemption Date; and

(d) that Holders who want to convert their Debentures must satisfy the requirements set forth in Paragraph 10 of the Debentures.

Section 3.4 Effect of Notice of Redemption.

Once notice of redemption is given, Debentures called for redemption become due and payable on the Redemption Date and at the Redemption Price stated in the notice, except for Debentures which are converted in accordance with the terms of this Indenture.

Section 3.5 Purchase of Debentures by the Company at Option of the Holder.

(a) General. Debentures shall be purchased by the Company, at the option of the Holder thereof, pursuant to Paragraph 6 of the relevant series of Debentures, in the case of Series A Debentures, on June 1, 2008, June 1, 2013 and June 1, 2018 or the next Business Day following such dates to the extent such dates are not Business Days and, in the case of Series B Debentures, on June 1, 2010, June 1, 2013 and June 1, 2018 or the next Business Day following such dates to the extent such dates are not Business Days (each, a "Purchase Date"), at a price equal to the Principal Amount of the Debentures to be repurchased plus accrued and unpaid interest, if any, up to, but excluding, the applicable Purchase Date (the "Purchase Price"). Purchases of Debentures hereunder shall be made, at the option of the Holder thereof, upon:

(1) delivery to the Paying Agent by the Holder of a written notice of purchase (a "Purchase Notice") during the period beginning at any time from the opening of business on the date that is 20 Business Days prior to the relevant Purchase Date until the close of business on the fifth Business Day prior to such Purchase Date stating:

(A) the certificate number of the Debenture which the Holder will deliver to be purchased or if Certificated Securities have not been issued, the appropriate Depositary procedures,

(B) the portion of the Principal Amount of the Debenture which the Holder will deliver to be purchased, which portion must be \$1,000 or an integral multiple thereof,

(C) that such Debenture shall be purchased by the Company as of the Purchase Date pursuant to the terms and conditions specified in Paragraph 6 of the Debentures and in this Indenture, and

(D) that, in the event the Company elects, pursuant to Section 3.5(b), to pay the Purchase Price, in whole or in part, in shares of Common Stock, and if such portion of the Purchase Price shall ultimately be paid to such Holder entirely in cash because conditions to payment of the Purchase Price in shares of Common Stock are not satisfied prior to the close of business on the last day prior to the relevant Purchase Date, as set forth in Section 3.5(d), whether such Holder elects (i) to withdraw such Purchase Notice as to some or all of the Debentures to which such Purchase Notice relates (stating the

Principal Amount and certificate numbers, if any, or the appropriate Depository procedures, if any, of the Debentures as to which such withdrawal shall relate), or (ii) to receive cash in respect of the entire Purchase Price for all Debentures (or portions thereof) to which such Purchase Notice relates; and

(2) delivery of such Debenture to the Paying Agent prior to, on or after the Purchase Date (together with all necessary endorsements) at the offices of the Paying Agent, such delivery being a condition to receipt by the Holder of the Purchase Price therefor; provided, however, that such Purchase Price shall be so paid pursuant to this Section 3.5 only if the Debenture so delivered to the Paying Agent shall conform in all respects to the description thereof in the related Purchase Notice, as determined by the Company.

If a Holder, in such Holder's Purchase Notice and in any written notice of withdrawal delivered by such Holder pursuant to the terms of Section 3.7, fails to indicate such Holder's choice with respect to the election set forth in clause (D) of Section 3.5(a)(1), such Holder shall be deemed to have elected to receive cash in respect of the entire Purchase Price for all Debentures subject to such Purchase Notice in the circumstances set forth in such clause (D).

The Company shall purchase from the Holder thereof, pursuant to this Section 3.5, a portion of a Debenture, if the Principal Amount of such portion is \$1,000 or an integral multiple of \$1,000. Provisions of this Indenture that apply to the purchase of all of a Debenture also apply to the purchase of such portion of such Debenture.

Any purchase by the Company contemplated pursuant to the provisions of this Section 3.5 shall be consummated as provided in Section 3.7.

Notwithstanding anything herein to the contrary, any Holder delivering to the Paying Agent the Purchase Notice contemplated by this Section 3.5(a) shall have the right to withdraw such Purchase Notice, in whole or in part, at any time prior to the close of business on the fifth Business Day prior to the Purchase Date by delivery of a written notice of withdrawal to the Paying Agent in accordance with Section 3.7.

The Paying Agent shall promptly notify the Company of the receipt by it of any Purchase Notice or written notice of withdrawal thereof.

(b) Company's Right to Elect Manner of Payment of Purchase Price for Payment. Debentures to be purchased on any Purchase Date, other than (x) the Purchase Date for Series A Debentures on June 1, 2008 (or, if such day is not a Business Day, the next Business Day following such date) and (y) the Purchase Date for Series B Debentures on June 1, 2010 (or, if such day is not a Business Day, the next Business Day following such date), pursuant to Section 3.5(a), may be paid for, in whole or in part, at the election of the Company, in U.S. legal tender ("cash") or shares of Common Stock, or in any combination of cash and shares of Common Stock, subject to the conditions set forth in Sections 3.5(d). The Company shall designate, in the Company Notice delivered pursuant to Section 3.5(e), (i) whether the Company will purchase the Debentures for cash or shares of Common Stock, and (ii) if a combination thereof, the percentages of the Purchase Price of Debentures in respect of which it will pay in cash and in Common Stock; provided that the Company will pay cash for fractional interests in shares of

Common Stock. Each Holder whose Debentures are purchased pursuant to this Section 3.5 shall receive the same percentage of cash or shares of Common Stock in payment of the Purchase Price for such Debentures, except (1) as provided in Section 3.5(d) with regard to the payment of cash in lieu of fractional shares of Common Stock and (2) in the event that the Company is unable to purchase the Debentures of a Holder or Holders for shares of Common Stock because any necessary qualifications or registrations of the Common Stock under applicable federal or state securities laws cannot be obtained, the Company may purchase the Debentures of such Holder or Holders for cash. The Company may not change its election with respect to the consideration (or components or percentages of components thereof) to be paid once the Company has given its Company Notice to Holders except pursuant to this Section 3.5(b) or pursuant to Section 3.5(d).

At least three Business Days before each Company Notice Date, the Company shall deliver an Officers' Certificate to the Trustee specifying:

(i) the manner of payment selected by the Company,

(ii) the information required by Section 3.5(e) in the Company Notice,

(iii) if the Company elects to pay the Purchase Price, or a specified percentage thereof, in shares of Common Stock, that the conditions to such manner of payment set forth in Section 3.5(d) have been or will be complied with, and

(iv) whether the Company desires the Trustee to give the Company Notice required by Section 3.5(e).

(c) [reserved]

(d) Payment by Issuance of Common Stock. At the option of the Company, the Purchase Price of Debentures in respect of which a Purchase Notice pursuant to Section 3.5(a) has been given, or a specified percentage thereof, may be paid by the Company by the issuance of a number of shares of Common Stock equal to the quotient obtained by dividing (i) the portion of the Purchase Price to be paid in shares of Common Stock by (ii) 99% of the Market Price of one share of Common Stock as determined by the Company in the Company Notice, subject to the next succeeding paragraph.

The Company will not issue fractional shares of Common Stock in payment of the Purchase Price. Instead, the Company will pay cash based on the Market Price for all fractional shares. The Market Price of a fractional share shall be determined to the nearest 1/1,000th of a share, by multiplying the Market Price of a full share by the fractional amount and rounding to the nearest whole cent. It is understood that if a Holder elects to have more than one Debenture purchased, the number of shares of Common Stock shall be based on the aggregate amount of Debentures to be purchased.

The Company Notice, as provided in Section 3.5(e), shall be sent to the Holders (and to beneficial owners as and to the extent required by applicable law) not less than 20 Business Days prior to the applicable Purchase Date (the "Company Notice Date").

The Company's right to exercise its election to purchase Debentures through the issuance of Common Stock shall be conditioned upon:

(i) the Company's having given timely Company Notice of an election to purchase all or a specified percentage of the Debentures with Common Stock as provided herein;

(ii) the registration of such shares of Common Stock to be issued under the Securities Act or the Exchange Act, in each case, if required;

(iii) the listing or quotation of such shares of Common Stock on the principal U.S. national securities exchange or market (currently the NYSE) on which the Common Stock is listed or quoted;

(iv) any necessary qualification or registration under applicable state securities laws or the availability of an exemption from such qualification and registration; and

(v) the receipt by the Trustee of an Officers' Certificate and an Opinion of Counsel each stating that (A) the terms of the issuance of the Common Stock are in conformity with this Indenture and (B) the shares of Common Stock to be issued by the Company in payment of the Purchase Price in respect of the Debentures have been duly authorized and, when issued and delivered pursuant to the terms of this Indenture in payment of the Purchase Price in respect of the Debentures, will be validly issued, fully paid and non-assessable and, to the best of such counsel's knowledge, free from preemptive rights, and, in the case of such Officers' Certificate, stating that the conditions above and the condition set forth in the second succeeding sentence have been satisfied and, in the case of such Opinion of Counsel, stating that the conditions in clauses (ii) through (iv) above have been satisfied.

Such Officers' Certificate shall also set forth (x) the number of shares of Common Stock to be issued for each \$1,000 Principal Amount of Debentures and (y) the Closing Sale Prices of the Common Stock used to calculate the Market Price. The Company may pay the Purchase Price (or any portion thereof) in shares of Common Stock only if the information necessary to calculate the Market Price is published in a daily newspaper of national circulation or is otherwise publicly available. If the foregoing conditions are not satisfied with respect to a Holder or Holders prior to the close of business on the last day prior to the Purchase Date, and if the Company has elected to purchase the Debentures pursuant to this Section 3.5 through the issuance of shares of Common Stock, then Company shall pay the entire Purchase Price of the Debentures of such Holder or Holders in cash.

The "Market Price" means the average of the Closing Sale Prices of the Common Stock for the ten trading day period ending on the third Business Day prior to the applicable Purchase Date (if the third Business Day prior to the applicable Purchase Date is a trading day, or if not, then on the last trading day prior to such third Business Day), appropriately adjusted to take into account the occurrence, during the period commencing on the first of the trading days during the

ten trading day period and ending on the Purchase Date, of any event described in Sections 7.6, 7.7 or 7.8; subject, however, to the conditions set forth in Sections 7.10 and 7.11.

The "Closing Sale Price" of a security on any date means the closing per share sale price (or, if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average ask prices) on such date as reported on the NYSE or, if the Common Stock is not listed on the NYSE, then on the principal U.S. national or regional exchange or market on which the Common Stock then is listed or quoted, or if the Common Stock is not listed or quoted on a U.S. national or regional exchange or market, as reported on the principal other market on which the Common Stock is then traded. In the absence of such quotations, the Company shall be entitled to determine the Closing Sale Price on the basis of such quotations as it considers appropriate.

Upon determination of the actual number of shares of Common Stock to be issued upon redemption of Debentures, the Company will disseminate a press release through Dow Jones & Company, Inc. or Bloomberg Business News containing this information or publish the information on the Company's Web site or through such other broad public medium as the Company may use at that time.

(e) Notice of Election. In connection with any purchase of Debentures pursuant to this Section 3.5, the Company shall give, or shall cause the Trustee to give, notice to Holders setting forth information specified in this Section 3.5(e) (the "Company Notice") and indicating, for any Purchase Date other than June 1, 2008 or June 1, 2010, whether the Company will pay the Purchase Price in cash or Common Stock or a combination of cash and Common Stock.

Each Company Notice shall include a form of Purchase Notice to be completed by a Holder and shall state:

- (i) the Purchase Price and the then applicable Conversion Rate;
- (ii) the name and address of the Paying Agent and the Conversion Agent;
- (iii) that Debentures as to which a Purchase Notice has been given may be converted if they are otherwise convertible only if the applicable Purchase Notice has been withdrawn in accordance with the terms of this Indenture;
- (iv) that Debentures must be surrendered to the Paying Agent to collect payment;
- (v) that the Purchase Price for any Debenture as to which a Purchase Notice has been given and not withdrawn will be paid promptly following the later of the Purchase Date and the time of surrender of such Debenture as described in (iv);
- (vi) the procedures the Holder must follow to exercise its rights under this Section 3.5;

(vii) briefly, the conversion rights of the Debentures;

(viii) the procedures for withdrawing a Purchase Notice (including, without limitation, for a conditional withdrawal pursuant to the terms of Section 3.5(a)(1)(D) or Section 3.7);

(ix) that, unless the Company defaults in making payment on Debentures for which a Purchase Notice has been submitted, interest, if any, on such Debentures will cease to accrue on the Purchase Date, the Debentures will cease to be outstanding, and the only remaining right of the Holders of such Debentures is to receive payment of the Purchase Price upon surrender to the Paying Agent of the Debentures purchased; and

(x) the CUSIP number of the Debentures.

In connection with any election by the Company to pay the Purchase Price in whole or in part by the issuance of Common Stock, the Company Notice also shall:

(1) state that each Holder will receive shares of Common Stock with a Market Price determined as of a specified date prior to the Purchase Date equal to such specified percentage of the Purchase Price of the Debentures held by such Holder (except any cash amount to be paid in lieu of fractional shares);

(2) describe the method of calculating the Market Price of the Common Stock;

(3) state that because the Market Price of Common Stock will be determined prior to the Purchase Date, Holders of the Debentures will bear the market risk with respect to the value of the Common Stock to be received from the date such Market Price is determined to the Purchase Date; and

(4) state that if the Company pays with shares of Common Stock, the shares of Common Stock will be valued at 99% of the Market Price of the Common Stock.

At the Company's request, the Trustee shall give such Company Notice in the Company's name and at the Company's expense; provided, however, that, in all cases, the text of such Company Notice shall be prepared by the Company.

(f) Covenants of the Company. All Common Stock delivered upon purchase of the Debentures pursuant to Section 3.5 or Section 3.6 shall be newly issued shares or treasury shares, shall be duly authorized, validly issued, fully paid and nonassessable, and shall be free from preemptive rights and free of any lien or adverse claim.

(g) Procedure upon Purchase. The Company shall deposit cash (in respect of cash purchases under this Section 3.5 or for fractional shares of Common Stock, as applicable) or shares of Common Stock, or a combination thereof, as applicable, at the time and in the manner as provided in Section 3.8, sufficient to pay the aggregate Purchase Price of all Debentures to be purchased pursuant to this Section 3.5. A Holder will receive payment on the later of the Purchase Date and the time of book-entry transfer or the actual physical delivery of the

Debentures, as applicable, and, the Company shall deliver to each Holder entitled to receive shares of Common Stock through the Paying Agent, a certificate for the number of full shares of Common Stock issuable in payment of the Purchase Price and cash in lieu of any fractional shares of Common Stock. The Person in whose name the certificate in global form for the shares of Common Stock is registered shall be treated as a holder of record of the Common Stock on the Business Day following the Purchase Date. No payment or adjustment will be made for dividends on the shares of Common Stock, the record date for which dividends occurred on or prior to the Purchase Date.

(h) Taxes. If a Holder of a purchased Debenture is paid in shares of Common Stock pursuant to this Section 3.5, the Company shall pay all stamp, issue, registration, documentary or other similar taxes or duties, if any, which may be imposed by the Netherlands Antilles or the United States or any political subdivision thereof or taxing authority thereof or therein with respect to the issuance of Common Stock. However, the Holder shall pay any such tax which is due because the Holder requests the shares of Common Stock to be issued in a name other than the Holder's name. The Paying Agent may, and if so instructed by the Company shall, refuse to deliver the certificates representing the shares of Common Stock being issued in a name other than the Holder's name until the Paying Agent receives a sum sufficient to pay any tax which will be due because the shares of Common Stock are to be issued in a name other than the Holder's name. Nothing herein shall preclude any income tax withholding required by law or regulations.

Section 3.6 Purchase of Debentures at Option of the Holder upon a Fundamental Change

(a) If a Fundamental Change occurs, a Holder will have the right, at its option, to require the Company to purchase all or a portion of the Principal Amount of Debentures equal to \$1,000 or an integral multiple of \$1,000, that has not been previously purchased by the Company, at the Purchase Price on the Fundamental Change Purchase Date (the "Fundamental Change Purchase Price"), as of the date that is 30 days after the date of the Company's Fundamental Change Notice (the "Fundamental Change Purchase Date"), subject to satisfaction by or on behalf of the Holder of the requirements set forth in Section 3.6(c). The price the Company shall be required to pay is equal to 100% of the Principal Amount of the Debentures plus accrued and unpaid interest up to, but not including, the Fundamental Change Purchase Date.

A "Fundamental Change" shall be deemed to have occurred upon a Change in Control or a Termination of Trading.

A "Change in Control" shall be deemed to have occurred at such time after the Debentures are originally issued and any of the following events shall occur:

(i) any person, including any syndicate or group deemed to be a "person" under Section 13(d)(3) of the Exchange Act, acquires beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of transactions, of shares of the Company's Capital Stock entitling the person to exercise 50% or more of the total voting power of all shares

of the Company's Capital Stock that are entitled to vote generally in elections of directors, other than an acquisition by the Company, any of its Subsidiaries or any of its employee benefit plans and other than any transaction that meets the requirements of clause (a) (ii) (B) of this Section 3.6;

(ii) the Company merges or consolidates or amalgamates with or into any other person (other than one or more Subsidiaries), or of another person into the Company, or the Company conveys, sells, transfers or leases all or substantially all of its assets to another person other than any transaction: (A) that does not result in any reclassification, conversion, exchange or cancellation of the Company's outstanding shares of Common Stock (other than the cancellation of any of the Company's outstanding shares of Common Stock held by the person with whom the Company merges, consolidates or amalgamates), or (B) pursuant to which the holders of the Company's Common Stock immediately prior to the transaction have the entitlement to exercise, directly or indirectly, 50% or more of the total voting power of all shares of Voting Securities entitled to vote generally in the election of directors of the continuing or surviving person immediately after the transaction, or (C) which is effected solely to change the Company's jurisdiction of incorporation and results in a reclassification, conversion or exchange of outstanding shares of Common Stock solely into shares of common equity of the surviving person; or

(iii) any time the Company's Continuing Directors do not constitute a majority of the Company's board of directors (or, if applicable, a successor person to the Company).

Notwithstanding the foregoing provisions of this Section 3.6, a Change in Control shall not be deemed to have occurred if (1) the Closing Sale Price per share of Common Stock for any five trading days within the period of 10 consecutive trading days ending immediately after the later of the Change in Control or the public announcement of the Change in Control, in the case of a Change in Control relating to an acquisition of Capital Stock, or the period of 10 consecutive trading days ending immediately before the Change in Control, in the case of a Change in Control relating to a merger, consolidation, amalgamation or asset sale, equals or exceeds 105% of the conversion price of the Debentures in effect before the Change in Control or the public announcement thereof, or (2) all of the consideration (excluding cash payments for fractional shares and cash payments made pursuant to dissenters' appraisal rights) in a transaction otherwise constituting a Change in Control under clause (i) and/or clause (ii) above consists of shares of common equity traded on a U.S. national securities exchange or market or quoted on the Nasdaq National Market (or will be so traded or quoted immediately following the transaction) and as a result of the transaction the Debentures become convertible into such shares of common equity. For purposes of this Section 3.6, (x) the conversion price is equal to \$1,000 divided by the Conversion Rate, (y) whether a Person is a "beneficial owner" shall be determined in accordance with Rule 13d-3 under the Exchange Act, and (z) "Person" includes any syndicate or group that would be deemed to be a "person" under Section 13(d) (3) of the Exchange Act.

"Continuing Directors" means, as of any date of determination, any member of the Board of Directors who (i) was a member of such Board of Directors on the date of this Indenture or

(ii) becomes a member of such Board of Directors subsequent to that date and was appointed, nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board of Directors at the time of such appointment, nomination or election.

A "Termination of Trading" shall be deemed to have occurred if the shares of Common Stock (or other Common Stock into which the Debentures are then convertible) are not listed on the NYSE nor approved for trading on the Nasdaq National Market or any other U.S. national or regional securities exchanges or markets.

At the option of the Company, all or a specified percentage of the Fundamental Change Purchase Price of Debentures in respect of which a Fundamental Change Notice pursuant to Section 3.6(b) has been given may be paid by the Company by the issuance of a number of shares of Common Stock or, in the case of a merger in which the Company is not the surviving entity, common stock, ordinary shares, American Depositary Shares or analogous securities of the surviving entity or its direct or indirect parent entity, cash or a combination of the applicable securities and cash equal to the quotient obtained by dividing (i) the amount of cash to which the Holders would have been entitled had the Company elected to pay all or a specified percentage of the Fundamental Change Purchase Price of such Debentures in cash, by (ii) the product of (A) the Market Price of the Common Stock or applicable security, subject to the next succeeding paragraph and (B) 0.99.

The Company will not issue fractional shares of Common Stock in payment of the Fundamental Change Purchase Price. Instead, the Company will pay cash based on the Market Price for all fractional shares. The Market Price of a fractional share shall be determined to the nearest 1/1,000th of a share, by multiplying the Market Price of a full share by the fractional amount and rounding to the nearest whole cent. It is understood that if a Holder elects to have more than one Debenture purchased, the number of shares of Common Stock shall be based on the aggregate amount of Debentures to be purchased.

In the event that the Company is unable to purchase the Debentures of a Holder or Holders for Common Stock or applicable securities, or a combination of Common Stock and applicable securities, and cash, because of a failure to satisfy any condition, the Company must purchase the Debentures of such Holder or Holders for cash. The Company may not change its election with respect to the consideration to be paid once the Company has given its Fundamental Change Notice to Holders except pursuant to this Section 3.6(a) or pursuant to Section 3.6(b) in the event of a failure to satisfy, prior to the close of business on the Fundamental Change Purchase Date, any condition to the payment of the Fundamental Change Purchase Price in shares of Common Stock.

At least one Business Day before the Fundamental Change Notice Date (as defined below), unless a shorter period is acceptable to the Trustee, the Company shall deliver an Officers' Certificate to the Trustee specifying:

- (i) the manner of payment selected by the Company;
- (ii) the information required by Section 3.6(b);

(iii) if the Company elects to pay all or a specified percentage of the Fundamental Change Purchase Price in shares of Common Stock, that the conditions to such manner of payment set forth in Section 3.6(a) have been or will be complied with; and

(iv) whether the Company desires the Trustee to give the Fundamental Change Notice required by Section 3.6(b).

The Company's right to exercise its election to purchase Debentures through the issuance of Common Stock or applicable securities or a combination of Common Stock or applicable securities and cash shall be conditioned upon:

(I) the Company's giving of timely Fundamental Change Notice to purchase Debentures with Common Stock or applicable securities or a combination of Common Stock or applicable securities and cash as provided herein;

(II) the registration of such Common Stock or securities under the Securities Act or the Exchange Act, in each case, if required;

(III) such Common Stock or securities shall have been listed on a U.S. national securities exchange or quotation thereof in an inter-dealer quotation system of any registered United States national securities association;

(IV) any necessary qualification or registration of the Common Stock or securities under applicable state securities laws or the availability of an exemption from such qualification and registration; and

(V) the receipt by the Trustee of an Officers' Certificate and an Opinion of Counsel each stating that (A) the terms of the issuance of the Common Stock or securities are in conformity with this Indenture and (B) the shares of Common Stock or securities to be issued in payment of all or a specified percentage of the Fundamental Change Purchase Price in respect of Debentures have been duly authorized and, when issued and delivered pursuant to the terms of this Indenture in payment of all or a specified percentage of the Fundamental Change Purchase Price in respect of the Debentures, will be validly issued, fully paid and non-assessable and, to the best of such counsel's knowledge, free from preemptive rights, and, in the case of such Officers' Certificate, stating that the conditions above and the condition set forth in the second succeeding sentence have been satisfied and, in the case of such Opinion of Counsel, stating that the conditions (II) through (IV) above have been satisfied.

Such Officers' Certificate shall also set forth (i) the number of shares of Common Stock or securities to be issued for each \$1,000 Principal Amount of Debentures, (ii) the Closing Sale Price of a share of Common Stock or security on each trading day during the period commencing on the first trading day of the period during which the Market Price is calculated and ending on the third Business Day prior to the Fundamental Change Purchase Date and (iii) the Market Price of the Common Stock or securities. The Company may pay the Fundamental Change Purchase Price in Common Stock or securities only if the information necessary to calculate the Market

Price is published in a daily newspaper of national circulation or is otherwise publicly available or obtainable (e.g., by dissemination on the World Wide Web or by other public means). If the foregoing conditions are not satisfied with respect to a Holder or Holders prior to the close of business on the Fundamental Change Purchase Date and the Company has elected to purchase the Debentures pursuant to this Section 3.6 through the issuance of Common Stock or securities, the Company shall pay the entire Purchase Price of the Debentures of such Holder or Holders in cash.

Upon determination of the actual number of shares of Common Stock or securities to be issued for each \$1,000 Principal Amount of Debentures, the Company shall disseminate such determination through Dow Jones & Company, Inc. or Bloomberg Business News or otherwise make such information publicly available.

(b) No later than 15 days after the occurrence of a Fundamental Change, the Company shall mail a written notice (the "Fundamental Change Notice") of the Fundamental Change (the date of such mailing, the "Fundamental Change Notice Date") by first-class mail to the Trustee and to each Holder (and to beneficial owners as required by applicable law). The notice shall include a form of Fundamental Change Purchase Notice to be completed by the Holder and shall state:

- (i) briefly, the nature of the Fundamental Change and the date of such Fundamental Change and the repurchase right arising as a result of the Fundamental Change;
- (ii) the date by which the Fundamental Change Purchase Notice pursuant to this Section 3.6 must be given;
- (iii) the Fundamental Change Purchase Date;
- (iv) the Fundamental Change Purchase Price;
- (v) the name and address of the Paying Agent and the Conversion Agent;
- (vi) the then existing Conversion Rate and any adjustments thereto;
- (vii) that the Debentures as to which a Fundamental Change Notice has been given may be converted if they are otherwise convertible pursuant to Article VII hereof only if the Holder has not delivered a Fundamental Change Purchase Notice to the Trustee;
- (viii) that the Debentures must be surrendered to the Paying Agent to collect payment;
- (ix) that the Fundamental Change Purchase Price for any Debenture as to which a Fundamental Change Purchase Notice has been duly given will be paid promptly following the later of the Fundamental Change Purchase Date and the time of surrender of such Debenture as described in (viii);

(x) briefly, the procedures the Holder must follow to exercise rights under this Section 3.6;

(xi) briefly, the conversion rights, if any, of the Debentures;

(xii) that, unless the Company defaults in making payment of such Fundamental Change Purchase Price, interest, if any, on Debentures surrendered for purchase by the Company will cease to accrue on and after the Fundamental Change Purchase Date and the only remaining right of the Holders of such Debentures is to receive payment of the Purchase Price upon surrender to the Paying Agent of the Debentures purchased; and

(xiii) the CUSIP number(s) of the Debentures.

In the event the Company has elected to pay all or a specified percentage of the Fundamental Change Purchase Price with shares of Common Stock or securities, the Fundamental Change Notice shall:

(1) state that the Company will pay the Fundamental Change Purchase Price with shares of Common Stock or securities;

(2) describe the method of calculating the number of shares of Common Stock or securities to be paid;

(3) state that because the Market Price of the Common Stock or securities will be determined prior to the Fundamental Change Purchase Date, Holders will bear the market risk with respect to the value of the shares of Common Stock or securities to be received from the date such Market Price is determined to the Fundamental Change Purchase Date.

(c) A Holder may exercise its rights specified in Section 3.6(a) upon delivery of an irrevocable written notice of purchase (a "Fundamental Change Purchase Notice") to the Paying Agent at any time on or prior to the 15th day after the date the Company delivers its written Fundamental Change Notice, stating:

(i) the certificate number, if applicable, of the Debenture which the Holder will deliver to be purchased or the appropriate Depository procedure if Certificated Securities have not been issued;

(ii) the portion of the Principal Amount of the Debenture which the Holder will deliver to be purchased, which portion must be \$1,000 or an integral multiple thereof;

(iii) that such Debenture shall be purchased pursuant to the terms and conditions specified in Paragraph 6 of the Debentures; and

If certificated, the delivery of such Debenture to the Paying Agent with the Fundamental Change Purchase Notice (together with all necessary endorsements) at the offices of the Paying Agent shall be a condition to the receipt by the Holder of the Fundamental Change Purchase

Price therefor; provided, however, that such Fundamental Change Purchase Price shall be so paid pursuant to this Section 3.6 only if the Debenture so delivered to the Paying Agent shall conform in all material respects to the description thereof set forth in the related Fundamental Change Purchase Notice.

The Company shall purchase from the Holder thereof, pursuant to this Section 3.6, a portion of a Debenture if the Principal Amount of such portion is \$1,000 or an integral multiple of \$1,000. Provisions of this Indenture that apply to the purchase of all of a Debenture also apply to the purchase of such portion of such Debenture.

Any purchase by the Company contemplated pursuant to the provisions of this Section 3.6 shall be consummated by the delivery of the consideration to be received by the Holder on the Fundamental Change Purchase Date.

(d) Covenants of the Company. All shares of Common Stock or securities delivered upon purchase of the Debentures shall be newly issued shares or treasury shares, shall be duly authorized, validly issued, fully paid and nonassessable, and shall be free from preemptive rights and free of any lien or adverse claim.

(e) Procedure upon Purchase. The Company shall deposit cash (in respect of cash purchases under this Section 3.6 or for fractional shares of Common Stock or securities, as applicable) or Common Stock or securities, or a combination thereof, as applicable, at the time and in the manner as provided in Section 3.8, sufficient to pay the aggregate Fundamental Change Purchase Price of all Debentures to be purchased pursuant to this Section 3.6. On the Fundamental Change Purchase Date, the Company shall deliver to each Holder entitled to receive shares of Common Stock or securities through the Paying Agent, a certificate in global form for the number of full shares of Common Stock or securities issuable in payment of the Fundamental Change Purchase Price and cash in lieu of any fractional shares. The Person in whose name the certificate for shares of Common Stock or securities is registered shall be treated as a holder of record of Common Stock or securities on the Business Day following the Fundamental Change Purchase Date. No payment or adjustment will be made for dividends on the shares of Common Stock on the record date for which dividends occurred on or prior to the Fundamental Change Purchase Date.

(f) Taxes. If a Holder of a purchased Debenture is paid in Common Stock or securities pursuant to this Section 3.6, the Company shall pay all, stamp, issue, registration, documentary or other similar taxes or duties, if any, which may be imposed by the Netherlands Antilles or the United States or any political subdivision thereof or taxing authority thereof or therein with respect to the issuance of shares of Common Stock or securities. However, the Holder shall pay any such tax which is due because the Holder requests the shares of Common Stock or securities to be issued in a name other than the Holder's name. The Paying Agent may, and if so instructed by the Company, shall refuse to deliver the certificates representing the shares of Common Stock or securities being issued in a name other than the Holder's name until the Paying Agent receives a sum sufficient to pay any tax which will be due because the shares of Common Stock or securities are to be issued in a name other than the Holder's name. Nothing herein shall preclude any income tax withholding required by law or regulations.

Section 3.7 Effect of Purchase Notice or Fundamental Change Purchase Notice

Upon receipt by the Paying Agent of the Purchase Notice or Fundamental Change Purchase Notice specified in Section 3.5(a) or Section 3.6(c), as applicable, the Holder of the Debenture in respect of which such Purchase Notice or Fundamental Change Purchase Notice, as the case may be, was given shall (unless such Purchase Notice is withdrawn as specified in the following two paragraphs) thereafter be entitled to receive solely the Purchase Price or Fundamental Change Purchase Price, as the case may be, with respect to such Debenture. Such Purchase Price or Fundamental Change Purchase Price shall be paid to such Holder, subject to receipts of funds and/or securities by the Paying Agent, promptly following the later of (x) the Purchase Date or the Fundamental Change Purchase Date, as the case may be, with respect to such Debenture (provided the conditions in Section 3.5(d) or Section 3.6(c), as applicable, have been satisfied) and (y) if certificated, the time of delivery of such Debenture to the Paying Agent by the Holder thereof in the manner required by Section 3.5(d) or Section 3.6(c), as applicable. Debentures in respect of which a Purchase Notice has been given by the Holder thereof may not be converted pursuant to Article VII hereof on or after the date of the delivery of such Purchase Notice unless such Purchase Notice has first been validly withdrawn as specified in the following two paragraphs. Debentures in respect of which a Fundamental Change Purchase Notice has been delivered may not be converted on or after the date of the delivery of such notice.

A Fundamental Change Purchase Notice may not be withdrawn. A Purchase Notice may be withdrawn in whole or in part by means of a written notice of withdrawal delivered to the office of the Paying Agent in accordance with the Purchase Notice at any time prior to the close of business on the fifth Business Day prior to the Purchase Date specifying:

- (a) the certificate number of the Debenture in respect of which such notice of withdrawal is being submitted or the appropriate Depository procedures if Certificated Securities have not been issued,
- (b) the Principal Amount of the Debenture with respect to which such notice of withdrawal is being submitted, and
- (c) the Principal Amount, if any, of such Debenture which remains subject to the original Purchase Notice, and which has been or will be delivered for purchase by the Company.

A written notice of withdrawal of a Purchase Notice may be in the form set forth in the preceding paragraph or may be in the form of a conditional withdrawal contained in a Purchase Notice pursuant to the terms of Section 3.5(a)(1)(D). A Purchase Notice not withdrawn within the time period specified in the preceding sentence becomes irrevocable.

If cash (and/or shares of Common Stock or securities, if permitted under the Indenture) sufficient to pay the Purchase Price or Fundamental Change Purchase Price, as the case may be, of all Debentures or portions thereof to be purchased as of the Purchase Date or the Fundamental Change Purchase Date, as the case may be, is deposited with the Paying Agent prior to 10:00 a.m. New York City time on the Purchase Date or the Fundamental Change Purchase Date, interest shall cease to accrue on such Debentures (or portions thereof) on such Purchase Date or Fundamental Change Purchase Date, and the Holder thereof shall have no other rights as such

other than the right to receive the Purchase Price or Fundamental Change Purchase Price upon surrender of such Debenture.

Section 3.8 Deposit of Purchase Price or Fundamental Change Purchase Price

Prior to 10:00 a.m. New York City time on the Purchase Date or the Fundamental Change Purchase Date, as the case may be, the Company shall deposit with the Trustee or with the Paying Agent (or, if the Company or a Subsidiary or an Affiliate of either of them is acting as the Paying Agent, shall segregate and hold in trust as provided in Section 2.06 of the Base Indenture) an amount of cash (in immediately available funds if deposited on such Business Day) and/or shares of Common Stock or securities, if permitted hereunder, sufficient to pay the aggregate Purchase Price or Fundamental Change Purchase Price, as the case may be, of all the Debentures or portions thereof which are to be purchased as of the Purchase Date or Fundamental Change Purchase Date, as the case may be.

Section 3.9 Debentures Purchased in Part

Any Certificated Debenture which is to be purchased only in part shall be surrendered at the office of the Paying Agent (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing) and the Company shall execute and the Trustee shall authenticate and deliver to the Holder of such Debenture, without service charge, a new Debenture or Debentures, of any authorized denomination as requested by such Holder in aggregate principal amount equal to, and in exchange for, the portion of the Principal Amount of the Debenture so surrendered which is not purchased.

Section 3.10 Covenant to Comply With Securities Laws Upon Purchase of Debentures

When complying with the provisions of Section 3.5 or 3.6 hereof (provided that such offer or purchase constitutes an "issuer tender offer" for purposes of Rule 13e-4 (which term, as used herein, includes any successor provision thereto) under the Exchange Act at the time of such offer or purchase), the Company shall (i) comply with Rule 13e-4 and Rule 14e-1 (or any successor provision) under the Exchange Act, (ii) file the related Schedule TO (or any successor schedule, form or report) under the Exchange Act, and (iii) otherwise comply with any applicable federal and state securities laws so as to permit the rights and obligations under Sections 3.5 and 3.6 to be exercised in the time and in the manner specified in Sections 3.5 and 3.6.

Section 3.11 Repayment to the Company

The Trustee or the Paying Agent, as the case may be, shall return to the Company upon its written request any cash or shares of Common Stock or securities that remain unclaimed as provided in Paragraph 13 of the Debentures, together with interest or dividends, if any, thereon (subject to the provisions of Section 8.03 of the Base Indenture), held by them for the payment of the Purchase Price or Fundamental Change Purchase Price, as the case may be; provided, however, that to the extent that the aggregate amount of cash or shares of Common Stock or

securities deposited by the Company pursuant to Section 3.8 exceeds the aggregate Purchase Price or Fundamental Change Purchase Price, as the case may be, of the Debentures or portions thereof which the Company is obligated to purchase as of the Purchase Date or Fundamental Change Purchase Date, as the case may be, then the Trustee shall promptly return any such excess to the Company upon written request together with interest or dividends, if any, thereon (subject to the provisions of Section 8.03 of the Base Indenture).

Section 3.12 Redemption Upon Changes in Withholding Taxes

The Debentures may be redeemed (a "Withholding Tax Redemption"), as a whole but not in part, at the election of the Company, upon not less than 30 nor more than 60 days notice (which notice shall be irrevocable), at a redemption price equal to the Principal Amount plus accrued and unpaid interest to, but excluding, the redemption date and any Additional Amounts, if any: (a) if as a result of any amendment to, or change in, the laws or regulations of the Netherlands Antilles or any political subdivision or taxing authority thereof or therein having power to tax (a "Taxing Authority"), or any change in the application or official interpretation of such laws or regulations, (b) as a result of such change the Company has become or will become obligated to pay Additional Amounts, on the next date on which any amount would be payable with respect to such Debentures, and (c) such obligation to pay Additional Amounts cannot be avoided by the use of reasonable measures available to the Company; provided, however, that (x) no such notice of redemption may be given earlier than 60 days prior to the earliest date on which the Company would be otherwise required to pay such Additional Amounts, and (y) at the time such notice of redemption is given, such obligation to pay such Additional Amounts remains in effect. Prior to the giving of any notice of redemption described in this paragraph, the Company shall deliver to the Trustee (i) a certificate signed by two Officers of the Company, stating that the obligation to pay Additional Amounts cannot be avoided by the Company taking reasonable measures available to it and (ii) an opinion of outside legal counsel of recognized standing to the effect that the Company has or will become obligated to pay Additional Amounts as a result of a change, amendment, official interpretation or application described above and that the Company cannot avoid the payment of such Additional Amounts by taking reasonable measures available to it.

Notwithstanding the foregoing, if the Company has given notice of a Withholding Tax Redemption as described in this Section 3.12, each Holder shall have the right to elect that such Holder's Debentures will not be subject to such Withholding Tax Redemption. If a Holder elects not to be subject to a Withholding Tax Redemption, neither the Company nor the Trustee will be required to pay any Additional Amounts as provided in Section 4.1 below with respect to payments made on the Debentures subject to such election (whether held by such Holder or a subsequent Holder thereof) following the date of such Withholding Tax Redemption fixed by the Company, and all subsequent payments on those Debentures will be subject to any tax required to be withheld or deducted under the Netherlands Antilles law. Holders must elect their option to avoid a Withholding Tax Redemption by written notice to the Trustee no later than the 15th day prior to the date of such Withholding Tax Redemption fixed by the Company stating:

- (1) the name and address of the registered Holder of the Debentures subject to such election:

- (2) the certificate numbers, if any, and Principal Amount of such Debentures; and
- (3) that the Holder elects to avoid the Withholding Tax Redemption and that the Holder (or any successor Holder of such Debenture) will not be entitled to any Additional Amounts with respect to payments made on such Debentures following the date of such Withholding Tax Redemption.

The foregoing provisions shall survive any termination or discharge of this Indenture and shall apply mutatis mutandis to any jurisdiction other than the United States or any state thereof in which any successor Person to the Company is organized or is engaged in business for tax purposes or any political subdivision or taxing authority or agency thereof or therein.

ARTICLE IV

COVENANTS

Section 4.1 Payment of Additional Amounts

All payments made by the Company under or with respect to the Debentures will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments, or governmental charges of whatever nature imposed or levied by any Taxing Authority ("Taxes"), unless the Company is required to withhold or deduct Taxes by law or by the interpretation or administration thereof. In the event that the Company is required to so withhold or deduct any amount for or on account of any Taxes from any payment made under or with respect to the Debentures, the Company will pay such Additional Amounts as may be necessary so that the net amount received by each Holder of Debentures (including Additional Amounts) after such withholding or deduction will equal the amount that such Holder would have received if such Taxes had not been required to be withheld or deducted; provided that no Additional Amounts will be payable with respect to a payment made to a Holder of Debentures to the extent:

(i) such Holder (A) is able to avoid such withholding or deductions by complying with any applicable certification, documentation, information or other reporting requirements concerning the holder's nationality, residence, identity or connection with the Netherlands Antilles or (B) is liable for such Taxes in respect of the Debentures by reason of its having some connection with the Netherlands Antilles other than merely by the holding of the Debentures and the receipt of payments thereon;

(ii) of any estate, inheritance, gift, sales, transfer, or personal property Taxes imposed with respect to such Debentures, or of any other Taxes imposed other than by withholding or payment by the Company, except as otherwise provided in the Indenture;

(iii) that any such Taxes would not have been so imposed but for the presentation of such Debentures (where presentation is required) for payment on a date more than 30 days after the date on which such payment became due and

payable or the date on which payment thereof is duly provided for, whichever is later, except to the extent that the Holder thereof would have been entitled to Additional Amounts had the Debentures been presented for payment on any date during such 30-day period; or

(iv) that an election was made with respect to that Debenture by the Holder of such Debenture or a prior Holder of such Debenture to avoid a Withholding Tax Redemption pursuant to the last paragraph of Section 3.12 with respect to payments made subsequent to the date of such Withholding Tax Redemption.

The Company will also (i) make such withholding or deduction of Taxes and (ii) remit the full amount of Taxes so deducted or withheld to the relevant Taxing Authority in accordance with all applicable laws. The Company will use its reasonable best efforts to obtain certified copies of tax receipts evidencing the payment of any Taxes so withheld or deducted from each Taxing Authority imposing such Taxes. The Company will, upon request by a Holder, make available to such Holder, within 60 days after the date the payment of any Taxes so withheld or deducted is due pursuant to applicable law, certified copies of tax receipts evidencing such payment by the Company or if, notwithstanding the Company's reasonable best efforts to obtain such receipts, the same are not obtainable, other evidence of such payments by the Company.

In the event that the Company is obligated to pay Additional Amounts with respect to any payment of principal, interest, redemption price or any other amount payable under or with respect to the Debentures, 30 days prior to the date such payment is due and payable, the Company will deliver to the Trustee an Officer's Certificate stating the fact that such Additional Amounts will also be payable, the amounts so payable and such other information as is necessary to enable the Trustee to pay such Additional Amounts to the Holders on such payment date.

The foregoing provisions shall survive any termination or discharge of this Indenture and shall apply mutatis mutandis to any jurisdiction other than the United States or any state thereof in which any successor Person to the Company is organized or is engaged in business for tax purposes or any political subdivisions or taxing authority or agency thereof or therein.

In addition, the Company will pay any stamp, issue, registration, documentary or other similar taxes and duties, including interest, penalties and Additional Amounts with respect thereto, payable in the Netherlands Antilles or the United States or any political subdivision or taxing authority of or in the foregoing in respect of the creation, issue, offering, enforcement, redemption or retirement of the Debentures.

Whenever in this Indenture or the Debentures there is mentioned, in any context, the payment of principal, interest, redemption price or any other amount payable under or with respect to any Debenture, such mention shall be deemed to include mention of the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

If the Company becomes incorporated or otherwise organized under the laws of a country other than the Netherlands Antilles or the United States or any state thereof (or if the surviving

person of a merger, amalgamation, or consolidation to which the Company is a party is organized or incorporated under the laws of such a country) the terms of Section 3.12, above, and this Section 4.1 shall be changed to provide (i) for the payment of additional amounts in the case of any withholding or deduction for any taxes, duties, assessments or governmental charges imposed or levied by the country in which the Company or such surviving person is incorporated or organized, or any political subdivision thereof, or taxing authorities thereof or therein, and (ii) for redemption upon changes in withholding taxes with respect thereto, on terms substantially identical to the terms currently applicable in respect of taxes imposed by the Netherlands Antilles and its political subdivisions and taxing authorities.

ARTICLE V

DEFAULTS AND REMEDIES

Section 5.1 Events of Default

In addition to the Events of Default listed on Section 6.01 of the Base Indenture, an "Event of Default" occurs with respect to the Debentures

(i) if the Company defaults in the payment of the principal of and accrued interest on any Debentures upon a repurchase pursuant to Section 3.5, 3.6, or 3.12 hereof;

(ii) if the Company fails to give Holders the Fundamental Change Notice within the time required to give that notice, and such failure continues for 30 days.

ARTICLE VI

AMENDMENTS

Section 6.1 Without Consent of Holders.

In addition to those matters set forth in Section 9.01 of the Base Indenture, with respect to the Debentures, the Company and the Trustee may amend or supplement the Indenture or the Debentures or waive any provision thereof or of this Supplemental Indenture without the consent of any Holder of Debentures:

(i) to provide for uncertificated Securities in addition to or in place of certificated Securities; provided, however, that the uncertificated Securities are issued in registered form for purposes of Section 163(f) of the United States Internal Revenue Code of 1986, as amended from time to time or in a manner

such that the uncertificated Securities are described in Section 163(f)(2)(B) of the United States Internal Revenue Code of 1986, as amended from time to time; or

(ii) to make such changes in connection with a consolidation, amalgamation, merger or other transaction as may be necessary so as to not impair the rights of Holders, including the right to receive payment of Additional Amounts in respect of any tax withholding or deduction imposed by the jurisdiction of formation.

After an amendment under this Section 6.1 becomes effective, the Company shall mail to Holders a notice briefly describing such amendment. The failure to give such notice to all such Holder, or any defect therein, shall not impair or affect the validity of an amendment under this Section.

Section 6.2 With Consent of Holders.

In addition to those matters set forth in Section 9.02 of the Base Indenture, without the consent of the Holder of each Debenture affected thereby, an amendment, supplement or waiver may not:

(i) amend provisions relating to the Withholding Tax Redemption in a manner adverse to the Holders of Debentures; or

(ii) reduce the Purchase Price or Fundamental Change Purchase Price of any Debenture or change the time at which the Debentures may or must be redeemed or repurchased.

ARTICLE VII

CONVERSIONS

Section 7.1 Conversion Privilege

Subject to the limitations in this Indenture and paragraph 10 of the Debentures, a Holder of a Debenture may convert such Debenture into shares of Common Stock at any time. The number of shares of Common Stock issuable upon conversion of a Debenture per \$1,000 of Principal Amount thereof (the "Conversion Rate") shall be that set forth in Paragraph 10 of the Debentures, subject to adjustment as herein set forth.

A Holder may convert a portion of the Principal Amount of a Debenture if the portion converted is in a \$1,000 Principal Amount or an integral multiple of \$1,000. Provisions of this Indenture that apply to conversion of all of a Debenture also apply to conversion of a portion of a Debenture.

Section 7.2 Conversion Procedure

The first Business Day on which the Holder delivers an irrevocable conversion notice together with such Holder's Debentures (if the Debentures are in certificated form) for conversion is the conversion date (the "Conversion Date").

As soon as practicable after the Conversion Date, the Company shall deliver to the account of the Holder, through the Conversion Agent, or applicable procedures of the Depositary the number of full shares of Common Stock issuable upon the conversion or exchange and cash in lieu of any fractional share determined pursuant to Section 7.3. The Person in whose name the certificate is registered shall be treated as a stockholder of record as of the close of business on the Conversion Date. Upon conversion of a Debenture in its entirety, such Person shall no longer be a Holder of the portion of such Debenture so cancelled.

No payment or adjustment will be made for dividends on, or other distributions with respect to, any shares of Common Stock except as provided in this Article VII. On conversion of a Debenture, that portion of accrued and unpaid interest, if any, through the Conversion Date with respect to the converted Debenture shall be deemed cancelled, extinguished or forfeited. The Company will not adjust the Conversion Rate to account for accrued interest, if any. Delivery of Common Stock upon conversion will be deemed to satisfy the Company's obligation to pay the Principal Amount of the Debentures. If the Holder converts more than one Debenture at the same time, the number of shares of Common Stock issuable upon the conversion shall be based on the total Principal Amount of the Debentures converted.

Upon surrender of a Debenture that is converted in part, the Company shall execute, and the Trustee shall authenticate and deliver to the Holder, a new Debenture in an authorized denomination equal in principal amount to the unconverted portion of the Debenture surrendered or cause the account of the Holder to be so credited.

Section 7.3 Fractional Shares

The Company will not issue fractional shares of Common Stock upon conversion of a Debenture. Instead, the Company will pay cash based on the current market value of the fractional shares. The current market value of a fractional share shall be determined, to the nearest 1/1,000th of a share, by multiplying the Closing Sale Price, on the last trading day immediately prior to the Conversion Date, of a full share by the fractional amount and rounding the product to the nearest whole cent. Whether fractional shares are issuable upon a conversion will be determined on the basis of the total number of Debentures that the Holder is then converting into Common Stock and the aggregate number of shares of Common Stock issuable upon such conversion.

Section 7.4 Taxes on Conversion

If a Holder submits a Debenture for conversion, the Company shall pay all stamp, issue, registration, documentary or other similar taxes or duties, if any, which may be imposed by the Netherlands Antilles or the United States or any political subdivision thereof or taxing authority thereof or therein with respect to the issuance of shares of Common Stock upon the conversion.

However, the Holder shall pay any such tax which is due because the Holder requests the shares to be issued in a name other than the Holder's name. The Conversion Agent may, and if so instructed by the Company, shall refuse to deliver the certificates representing the shares of Common Stock being issued in a name other than the Holder's name until the Conversion Agent receives a sum sufficient to pay any tax which will be due because the shares are to be issued in a name other than the Holder's name. Nothing herein shall preclude any tax withholding required by law or regulations.

Section 7.5 Company to Provide Stock

The Company shall, prior to issuance of any Debentures under this Article VII, and from time to time as may be necessary, reserve out of its authorized but unissued shares of Common Stock a sufficient number of shares of Common Stock to permit the conversion of the Debentures into shares of Common Stock.

All shares of Common Stock delivered upon conversion of the Debentures shall be newly issued shares or treasury shares, shall be duly and validly issued and fully paid and nonassessable, and shall be free from preemptive rights and free of any lien or adverse claim. The Company will endeavor promptly to comply with all United States federal and state securities laws regulating the offer and delivery of shares of Common Stock upon conversion of Debentures, if any, and will list or cause to have quoted such shares of Common Stock on each national securities exchange or in the over-the-counter market or such other market on which the shares of Common Stock are then listed or quoted.

Section 7.6 Adjustment for Change in Capital Stock

If, after the Issue Date of the Debentures, the Company:

(1) pays a dividend or makes another distribution on the Company's Common Stock to all holders of the Company's Common Stock payable exclusively in shares of Common Stock;

(2) subdivides the outstanding shares of Common Stock into a greater number of shares;

(3) combines the outstanding shares of Common Stock into a smaller number of shares; or

(4) issues by reclassification of its Common Stock any shares of Capital Stock to all holders of Common Stock;

then the conversion privilege and the Conversion Rate in effect immediately prior to such action shall be adjusted so that the Holder of a Debenture thereafter converted may receive the number of shares of Common Stock (or other Capital Stock) of the Company which such Holder would have owned immediately following such action if such Holder had converted the Debenture immediately prior to such action.

The adjustment shall become effective immediately after the record date in the case of a dividend, distribution or subdivision and immediately after the effective date in the case of a combination or reclassification.

If after an adjustment a Holder of a Debenture upon conversion of such Debenture may receive shares of two or more classes of Capital Stock of the Company, the Conversion Rate shall thereafter be subject to adjustment upon the occurrence of an action taken with respect to any such class of Capital Stock as is contemplated by this Article VII with respect to the Common Stock, on terms comparable to those applicable to Common Stock in this Article VII.

Section 7.7 Adjustment for Rights Issue

If after the Issue Date of the Debentures, the Company distributes any rights or warrants to all or substantially all holders of the Company's Common Stock entitling them to purchase, for a period expiring within 60 days after the date of issuance of such rights or warrants, shares of Common Stock (or securities convertible into Common Stock) at a price per share less (or having a conversion price per share less) than the then current Market Price as of the Time of Determination (except that no adjustment will be made if Holders of the Debentures may participate in the transaction on a basis and with the notice that the Company's Board of Directors determines to be fair and appropriate), the Conversion Rate shall be adjusted in accordance with the formula:

$$R' = R \times \frac{(O + N)}{(O + (N \times P)/M)}$$

where:

R' = the adjusted Conversion Rate.

R = the current Conversion Rate.

O = the number of shares of Common Stock outstanding on the record date for the distribution to which this Section 7.7 is being applied.

N = the number of additional shares of Common Stock offered pursuant to the distribution.

P = the offering price per share of the additional shares.

M = the Market Price, minus, in the case of (i) a distribution to which Section 7.6(4) applies or (ii) a distribution to which Section 7.8 applies, for which, in each case, (x) the record date shall occur on or before the record date for the distribution to which this Section 7.7 applies and (y) the Ex-Dividend Time shall occur on or after the date of the Time of Determination for the distribution to which this Section 7.7 applies, the fair market value (on the record date for the distribution to which this Section 7.7 applies) of the

(1) Capital Stock of the Company distributed in respect of each share of Common Stock in such Section 7.6(4) distribution and

(2) the Company's debt, securities or assets or other rights, warrants or options to purchase securities of the Company distributed in respect of each share of Common Stock in such Section 7.8 distribution.

The Board of Directors shall determine fair market values for the purposes of this Section 7.7, except as Section 7.8 otherwise provides in the case of a spin-off.

The adjustment shall become effective immediately after the record date for the determination of shareholders entitled to receive the rights, warrants or options to which this Section 7.7 applies. If all of the shares of Common Stock subject to such rights, warrants or options have not been issued when such rights, warrants or options expire, then the Conversion Rate shall promptly be readjusted to the Conversion Rate which would then be in effect had the adjustment upon the issuance of such rights, warrants or options been made on the basis of the actual number of shares of Common Stock issued upon the exercise of such rights, warrants or options.

No adjustment shall be made under this Section 7.7 if the application of the formula stated above in this Section 7.7 would result in a value of R' that is equal to or less than the value of R.

"Time of Determination" means the time and date of the earlier of (i) the determination of stockholders entitled to receive rights, warrants or options or a distribution, in each case, to which Section 7.7 or 7.8 applies and (ii) the time ("Ex-Dividend Time") immediately prior to the commencement of "ex-dividend" trading for such rights, warrants or options or distribution on the NYSE or such other U.S. national or regional exchange or market on which the shares of Common Stock are then listed or quoted.

Section 7.8 Adjustment for Other Distributions

If, after the Issue Date of the Debentures, the Company distributes to all holders of its Common Stock any of its debt, securities or assets or any rights, warrants or options to purchase securities of the Company (including securities or cash, but excluding (x) distributions of Capital Stock referred to in Section 7.6 and distributions of rights, warrants or options referred to in Section 7.7 and (y) cash dividends or other cash distributions unless such cash dividends or other cash distributions are Extraordinary Cash Dividends) the Conversion Rate shall be adjusted, subject to the provisions of the last paragraph of this Section 7.8, in accordance with the formula:

$$R' = \frac{R \times M}{(M-F)}$$

where:

R' = the adjusted Conversion Rate.

R = the current Conversion Rate.

M = the Market Price, minus, in the case of a distribution to which Section 7.6(4) applies, for which (i) the record date shall occur on or before the record date for the distribution to which this Section 7.8 applies and (ii) the Ex-Dividend Time shall occur on or after the date of the Time of Determination for the distribution to which this Section 7.8 applies, the fair market value (on the record date for the distribution to which this Section 7.8 applies) of any Capital Stock of the Company distributed in respect of each share of Common Stock in such Section 7.6(4) distribution.

F = the fair market value (on the record date for the distribution to which this Section 7.8 applies) of the assets, securities, rights, warrants or options to be distributed in respect of each share of Common Stock in the distribution to which this Section 7.8 is being applied (including, in the case of cash dividends or other cash distributions giving rise to an adjustment, all such cash distributed concurrently).

In the event the Company distributes shares of Capital Stock of a Subsidiary, the Conversion Rate will be adjusted, if at all, based on the market value of the Subsidiary stock so distributed relative to the market value of the shares of Common Stock, as discussed below. The Board of Directors shall determine fair market values for the purposes of this Section 7.8, except that in respect of a dividend or other distribution of shares of Capital Stock of any class or series, or similar equity interests, of or relating to a Subsidiary or other business unit of the Company (a "Spin-off"), the fair market value of the securities to be distributed shall equal the average of the daily Closing Sale Prices of those securities for the five consecutive trading days commencing on and including the sixth day of trading of those securities after the effectiveness of the Spin-off. In the event, however, that an underwritten initial public offering of the securities in the Spin-off occurs simultaneously with the Spin-off, fair market value of the securities distributed in the Spin-off shall mean the initial public offering price of such securities and the Market Price shall mean the Closing Sale Price for the Common Stock on the same trading day. If no trading market develops for the Capital Stock so distributed, the value of the distributed Capital Stock will be determined by two nationally recognized investment banks appointed by the Company.

The adjustment shall become effective immediately after the record date for the determination of shareholders entitled to receive the distribution to which this Section 7.8 applies, except that an adjustment related to a Spin-off shall become effective at the earlier to occur of (i) 10 trading days after the effective date of the Spin-off and (ii) the initial public offering of the securities distributed in the Spin-off.

For purposes of this Section 7.8, the term "Extraordinary Cash Dividend" shall mean the sum of (i) any cash and the fair market value of any other consideration payable in respect of any tender offer (other than consideration payable in respect of any odd-lot tender offer) by the Company or any of its Subsidiaries for shares of Common Stock consummated within the preceding 12 months not triggering a Conversion Rate adjustment and (ii) all other all-cash distributions to all or substantially all holders of Common Stock made within the preceding 12 months not triggering a Conversion Rate adjustment, exceeds an amount equal to 12.5% of the Market Capitalization of the Common Stock on the Business Day immediately preceding the day on which the Company declares the distribution.

If, upon the date prior to the Ex-Dividend Time with respect to a cash dividend on the shares of Common Stock, the aggregate amount of such cash dividend together with the amounts of all other cash dividends or cash distributions gives rise to an adjustment of the Conversion Rate pursuant to this Section 7.8, then such cash dividend together with all such other cash dividends or cash distributions shall, for purposes of applying the formula set forth above in this Section 7.8, cause the value of "F" to equal (y) the aggregate amount of such cash dividend together with the amounts of such other cash dividends or cash distributions within the preceding 12 months, minus (z) the aggregate amount of all cash dividends or cash distributions within the preceding 12 months for which a prior adjustment in the Conversion Rate was previously made.

In the event that, with respect to any distribution to which this Section 7.8 would otherwise apply, the difference "M-F" as defined in the above formula is less than \$1.00 or "F" is equal to or greater than "M", then the adjustment provided by this Section 7.8 shall not be made and in lieu thereof the provisions of Section 7.15 shall apply to such distribution.

Section 7.9 Adjustment for Company Tender Offer

If, after the Issue Date of the Debentures, the Company or any Subsidiary of the Company pays holders of the shares of Common Stock in respect of a tender or exchange offer, other than an odd-lot offer, by the Company or any of its Subsidiaries for shares of Common Stock to the extent that the offer involves aggregate consideration that, together with (i) any cash and the fair market value of any other consideration payable in respect of any tender offer (other than consideration payable in respect of any odd-lot tender offer) by the Company or any of its Subsidiaries for shares of Common Stock consummated within the preceding 12 months not triggering a Conversion Rate adjustment and (ii) all-cash distributions to all or substantially all holders of Common Stock made within the preceding 12 months not triggering a Conversion Rate adjustment in each case, exceeds an amount equal to 12.5% of the Market Capitalization of the shares of Common Stock on the expiration date of the tender offer, the Conversion Rate shall be increased so that the same shall equal the price determined by multiplying the Conversion Rate in effect immediately prior to the effectiveness of the Conversion Rate increase contemplated by this Section 7.9 by a fraction of which the denominator shall be the number of shares of Common Stock outstanding (including any tendered or exchanged shares) at the last time tenders or exchanges may be made pursuant to such tender or exchange offer (the "Expiration Time") multiplied by the Closing Sale Price per share of Common Stock on the trading day on the NYSE next succeeding the Expiration Time and the numerator shall be the sum of (x) the fair market value (determined as aforesaid) of the aggregate consideration payable to stockholders based on the acceptance (up to any maximum specified in the terms of the tender or exchange offer) of all shares validly tendered or exchanged 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") and (y) the product of the number of shares of Common Stock (less any Purchased Shares) at the Expiration Time and the Closing Sale Price per share of Common Stock on the trading day on the NYSE next succeeding the Expiration Time, such increase to become effective immediately prior to the opening of business on the day following the Expiration Time.

Section 7.10 When Adjustment May Be Deferred

No adjustment in the Conversion Rate need be made unless the adjustment would require an increase or decrease of at least 1% in the Conversion Rate. Any adjustments that are not made shall be carried forward and taken into account in any subsequent adjustment.

All calculations under this Article VII shall be made to the nearest cent or to the nearest 1/1,000th of a share, as the case may be.

Section 7.11 When No Adjustment Required

No adjustment of the Conversion Rate need be made:

(a) as a result of: (i) the issuance of the rights; (ii) the distribution of separate certificates representing the rights; (iii) the exercise or redemption of the rights in accordance with any rights agreement; or (iv) the termination or invalidation of the rights, in each case, pursuant to any stockholders rights plan the Company may adopt from time to time;

(b) upon the issuance of any shares of Common Stock pursuant to any present or future plan providing for the reinvestment of dividends or interest payable on securities of the Company and the investment of additional optional amounts in Common Stock under any plan;

(c) upon the issuance of any shares of Common Stock or options or rights to purchase those shares pursuant to any present or future employee, director or consultant benefit plan or program of or assumed by the Company or any of its Subsidiaries; or

(d) upon the issuance of any shares of Common Stock pursuant to any option, warrant, right, or exercisable, exchangeable or convertible security outstanding as of the date the Debentures were first issued.

No adjustment need be made for a transaction referred to in Section 7.7 or Section 7.8 if Holders of the Debentures may participate in the transaction on a basis and with notice that the Board of Directors determines to be fair and appropriate in light of the basis and notice on which holders of Common Stock participate in the transaction. No adjustment need be made for a transaction referred to in Section 7.8 above if all Holders of the Debentures may participate in the transaction.

No adjustment need be made for a change in the par value or no par value of the shares of Common Stock.

To the extent the Debentures become convertible pursuant to this Article VII in whole or in part into cash, no adjustment need be made thereafter as to the cash. Interest will not accrue on the cash.

Section 7.12 Notice of Adjustment

Whenever the Conversion Rate is adjusted, the Company shall promptly mail to Holders a notice of the adjustment. The Company shall file with the Trustee and the Conversion Agent

such notice briefly stating the facts requiring the adjustment and the manner of computing it. The certificate shall be conclusive evidence that the adjustment is correct. Neither the Trustee nor any Conversion Agent shall be under any duty or responsibility with respect to any such certificate except to exhibit the same to any Holder desiring inspection thereof.

Section 7.13 Voluntary Increase

The Company may increase the Conversion Rate as the Company's Board of Directors deems advisable to avoid or diminish any income tax to holders of Common Stock resulting from any dividend or distribution of Capital Stock (or rights to acquire Capital Stock) or from any event treated as such for income tax purposes. The Company from time to time may also increase the Conversion Rate as permitted by law by any amount at any time for at least 20 days, so long as the increase is irrevocable during such period. Whenever the Conversion Rate is increased, the Company shall mail to Holders and file with the Trustee and the Conversion Agent a notice of the increase. The notice shall state the increased Conversion Rate and the period it will be in effect. A voluntary increase of the Conversion Rate does not change or adjust the Conversion Rate otherwise in effect for purposes of Section 7.6, 7.7 or 7.8.

Section 7.14 Notice of Certain Transactions

If:

(a) the Company takes any action that would require an adjustment in the Conversion Rate pursuant to Section 7.6, 7.7, 7.8 or 7.9 (unless no adjustment is to occur pursuant to Section 7.11); or

(b) the Company takes any action that would require a supplemental indenture pursuant to Section 7.15; or

(c) there is a liquidation or dissolution of the Company;

then the Company shall mail to Holders and file with the Trustee and the Conversion Agent a notice stating the proposed record date for a dividend, distribution or subdivision or the proposed effective date of a combination, reclassification, consolidation, amalgamation, merger, transfer, liquidation or dissolution. The Company shall file and mail the notice at least 5 days before such date. Failure to file or mail the notice or any defect in it shall not affect the validity of the transaction.

Section 7.15 Reorganization of Company; Special Distributions

If the Company is a party to a transaction subject to Section 5.01 of the Base Indenture (other than a sale of all or substantially all of the property of the Company in a transaction in which the holders of Common Stock immediately prior to such transaction do not receive securities, cash or other property of the Company or any other Person) or a consolidation, amalgamation or merger which reclassifies or changes its outstanding shares of Common Stock, the Person obligated to deliver securities, cash or other assets upon conversion of Debentures shall enter into a supplemental indenture. If the issuer of securities deliverable upon conversion

of Debentures is an Affiliate of the successor entity, that issuer shall join in the supplemental indenture.

The supplemental indenture shall provide that the Holder of a Debenture may convert it into the kind and amount of securities, cash or other property which such Holder would have received immediately after the consolidation, amalgamation, merger or transfer if such Holder had converted the Debenture immediately before the effective date of the transaction, assuming (to the extent applicable) that such Holder (i) was not a constituent Person or an Affiliate of a constituent Person to such transaction; (ii) made no election with respect thereto; and (iii) was treated alike with the plurality of non-electing Holders. The supplemental indenture shall provide for adjustments which shall be as nearly equivalent as may be practical to the adjustments provided for in this Article VII. The successor entity shall mail to Holders a notice briefly describing the supplemental indenture.

If the Company makes a distribution to all holders of its Common Stock of any of its assets, or debt securities or any rights, warrants or options to purchase securities of the Company that, but for the provisions of the last paragraph of Section 7.8, would otherwise result in an adjustment in the Conversion Rate pursuant to the provisions of Section 7.8, then, from and after the record date for determining the holders of Common Stock entitled to receive the distribution, a Holder of a Debenture that converts such Debenture in accordance with the provisions of this Indenture shall upon such conversion be entitled to receive, in addition to the shares of Common Stock into which the Debenture is convertible, the kind and amount of securities, cash or other assets comprising the distribution that such Holder would have received if such Holder had converted the Debenture immediately prior to the record date for determining the holders of Common Stock entitled to receive the distribution.

Section 7.16 Company Determination Final

Any determination that the Company or the Board of Directors must make pursuant to Sections 7.3, 7.6, 7.7, 7.8, 7.9, 7.10, 7.11, 7.15 or 7.17 is conclusive, absent manifest error.

Section 7.17 Trustee's Adjustment Disclaimer

The Trustee has no duty to determine when an adjustment under this Article VII should be made, how it should be made or what it should be. The Trustee has no duty to determine whether a supplemental indenture under Section 7.15 need be entered into or whether any provisions of any supplemental indenture are correct. The Trustee shall not be accountable for and makes no representation as to the validity or value of any securities or assets issued upon conversion of Debentures. The Trustee shall not be responsible for the Company's failure to comply with this Article VII. Each Conversion Agent shall have the same protection under this Section 7.17 as the Trustee.

Section 7.18 Simultaneous Adjustments

In the event that this Article VII requires adjustments to the Conversion Rate under more than one of Sections 7.6(4), 7.7 or 7.8, and the record dates for the distributions giving rise to such adjustments shall occur on the same date, then such adjustments shall be made by applying,

first, the provisions of Section 7.6, second, the provisions of Section 7.8 and, third, the provisions of Section 7.7.

Section 7.19 Successive Adjustments

After an adjustment to the Conversion Rate under this Article VII, any subsequent event requiring an adjustment under this Article VII shall cause an adjustment to the Conversion Rate as so adjusted.

Section 7.20 Restriction on Common Stock Issuable Upon Conversion.

(a) Shares of Common Stock to be issued upon conversion of the Debentures prior to the effectiveness of a Shelf Registration Statement shall be physically delivered in certificated form to the holders converting such Debentures, and the certificate representing such shares of Common Stock shall bear the following legend (the "Restricted Common Stock Legend") unless removed in accordance with Section 7.20(c):

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THE HOLDER HEREOF, BY PURCHASING THIS SECURITY, AGREES FOR THE BENEFIT OF THE COMPANY THAT THIS SECURITY MAY NOT BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED (X) PRIOR TO THE SECOND ANNIVERSARY, OF THE ISSUANCE HEREOF (OR ANY PREDECESSOR SECURITY HERETO) OR (Y) BY ANY HOLDER THAT WAS AN "AFFILIATE" (WITHIN THE MEANING OF RULE 144 UNDER THE SECURITIES ACT) OF THE COMPANY AT ANY TIME DURING THE THREE MONTHS PRECEDING THE DATE OF SUCH TRANSFER, IN EITHER CASE OTHER THAN (1) TO THE COMPANY, (2) SO LONG AS THIS SECURITY IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A, PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (3) IN AN OFFSHORE TRANSACTION (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 (IF APPLICABLE) UNDER THE SECURITIES ACT OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING THIS SECURITY, REPRESENTS AND AGREES FOR THE BENEFIT OF THE COMPANY THAT IT IS (1) A QUALIFIED INSTITUTIONAL BUYER OR (2) NOT A U.S. PERSON AND IS OUTSIDE THE UNITED STATES WITHIN THE MEANING OF (OR AN ACCOUNT SATISFYING THE REQUIREMENTS OF PARAGRAPH (k)(2) OF RULE 902 UNDER) REGULATIONS UNDER THE SECURITIES ACT. IN ANY CASE THE HOLDER HEREOF WILL

NOT, DIRECTLY OR INDIRECTLY, ENGAGE IN ANY HEDGING TRANSACTION WITH REGARD TO THIS SECURITY EXCEPT AS PERMITTED BY THE SECURITIES ACT.

(b) If (i) shares of Common Stock to be issued upon conversion of a Debenture prior to the effectiveness of a Shelf Registration Statement are to be registered in a name other than that of the holder of such Debenture or (ii) shares of Common Stock represented by a certificate bearing the Restricted Common Stock Legend are transferred subsequently by such holder, then, unless the Shelf Registration Statement has become effective and such shares are being transferred pursuant to the Shelf Registration Statement, the holder must deliver to the transfer agent for the Common Stock a certificate in substantially the form of Exhibit C as to compliance with the restrictions on transfer applicable to such shares of Common Stock, and neither the transfer agent nor the registrar for the Common Stock shall be required to register any transfer of such Common Stock not so accompanied by a properly completed certificate.

(c) Except for transfers in connection with a Shelf Registration Statement, if certificates representing shares of Common Stock are issued upon the registration of transfer, exchange or replacement of any other certificate representing shares of Common Stock bearing the Restricted Common Stock Legend, or if a request is made to remove such Restricted Common Stock Legend from certificates representing shares of Common Stock, the certificates so issued shall bear the Restricted Common Stock Legend, or the Restricted Common Stock Legend shall not be removed, as the case may be, unless there is delivered to the Company, the Conversion Agent and the Transfer Agent such satisfactory evidence, which, in the case of a transfer made pursuant to Rule 144 under the Securities Act, may include an opinion of counsel as may be reasonably required by the Company, that neither the legend nor the restrictions on transfer set forth therein are required to ensure that transfers thereof comply with the provisions of Rule 144A, Rule 144 or Regulation S under the Securities Act or that such shares of Common Stock are securities that are not "restricted" within the meaning of Rule 144 under the Securities Act. Upon provision to the Company of such reasonably satisfactory evidence, the Company shall cause the transfer agent for the Common Stock to countersign and deliver certificates representing shares of Common Stock that do not bear the legend.

ARTICLE VIII

MISCELLANEOUS

Section 8.1 Defeasance.

The Debentures shall be subject to the provisions of Article VIII of the Base Indenture.

However, notwithstanding the provisions of Sections 8.01 and 8.02 of the Base Indenture, the Holders right to convert the Debentures pursuant to Article VII hereof shall not be affected by any action of the Company under Article VIII of the Base Indenture.

Section 8.2 Notices

If the Company mails a notice or communication to the Holders pursuant to Section 10.02 of the Base Indenture, relating to the Debentures, it shall also mail a copy to the Conversion Agent.

Section 8.3 Separability Clause

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

Section 8.4 Rules by Trustee, Paying Agent, Conversion Agent and Registrar

The Trustee may make reasonable rules for action by or a meeting of Holders. The Registrar, the Conversion Agent and the Paying Agent may make reasonable rules for their functions.

Section 8.5 Legal Holidays

If any specified date (including a date for giving notice) is a Legal Holiday, the action shall be taken on the next succeeding day that is not a Legal Holiday, and, if the action to be taken on such date is a payment in respect of the Debentures, no interest, if any, shall accrue for the intervening period.

Section 8.6 GOVERNING LAW

THIS FIRST SUPPLEMENTAL INDENTURE AND THE DEBENTURES SHALL BE GOVERNED BY, AND CONSTRUCTED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

Section 8.7 Multiple Originals

The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy is enough to prove this Indenture.

IN WITNESS WHEREOF, the undersigned, being duly authorized, have executed this First Supplemental Indenture on behalf of the respective parties hereto as of the date first above written.

SCHLUMBERGER LIMITED

By: /s/ Michel Soublin

Name: Michel Soublin
Title: Treasurer

CITIBANK, N.A.

By: /s/ Nancy Forte

Name: Nancy Forte
Title: Assistant Vice President

[FORM OF FACE OF GLOBAL SECURITY]

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

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS TO NOMINEES OF THE DEPOSITORY TRUST COMPANY, OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN ARTICLE TWO OF THE INDENTURE REFERRED TO ON THE REVERSE HEREOF.

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THE HOLDER HEREOF, BY PURCHASING THIS SECURITY, AGREES FOR THE BENEFIT OF THE COMPANY THAT THIS SECURITY MAY NOT BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED (X) PRIOR TO THE SECOND ANNIVERSARY OF THE ISSUANCE HEREOF (OR ANY PREDECESSOR SECURITY HERETO) OR (Y) BY ANY HOLDER THAT WAS AN "AFFILIATE" (WITHIN THE MEANING OF RULE 144 UNDER THE SECURITIES ACT) OF THE COMPANY AT ANY TIME DURING THE THREE MONTHS PRECEDING THE DATE OF SUCH TRANSFER, IN EITHER CASE OTHER THAN (1) TO THE COMPANY, (2) SO LONG AS THIS SECURITY IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A, PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (3) IN AN OFFSHORE TRANSACTION (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT) IN ACCORDANCE WITH REGULATIONS UNDER THE SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 (IF APPLICABLE) UNDER THE SECURITIES ACT OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING THIS SECURITY, REPRESENTS AND AGREES FOR THE BENEFIT OF THE COMPANY THAT IT IS (1) A QUALIFIED INSTITUTIONAL BUYER OR (2) NOT A U.S. PERSON AND IS OUTSIDE THE UNITED STATES WITHIN THE MEANING OF (OR AN ACCOUNT SATISFYING THE REQUIREMENTS OF PARAGRAPH (k)(2) OF RULE 902 UNDER) REGULATIONS UNDER THE SECURITIES ACT. IN ANY CASE THE HOLDER

HEREOF WILL NOT, DIRECTLY OR INDIRECTLY, ENGAGE IN ANY HEDGING TRANSACTION WITH REGARD TO THIS SECURITY OR ANY COMMON STOCK ISSUABLE UPON CONVERSION OF THIS SECURITY EXCEPT AS PERMITTED BY THE SECURITIES ACT.

The foregoing legend may be removed from this Security on satisfaction of the conditions specified in the Indenture.

SCHLUMBERGER LIMITED

1.500% Series A Convertible Debentures due 2023

No. CUSIP: 806857AB4

Issue Date: June 9, 2003

SCHLUMBERGER LIMITED, a Netherlands Antilles corporation, promises to pay to Cede & Co. or registered assigns, the principal amount of (\$) on June 1, 2023.

Interest Payment Dates: June 1 and December 1

Record Dates: May 15 and November 15

This Debenture is convertible as specified on the other side of this Debenture.

Additional provisions of this Debenture are set forth on the other side of this Debenture.

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed as of the [] day of [], 2[].

SCHLUMBERGER LIMITED

By: _____
Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

CITIBANK, N.A., as Trustee, certifies that this is one of the Debentures referred to in the within-mentioned Indenture.

Dated: [], 2[]

CITIBANK, N.A.

By: _____
Name:
Title:

1.500% Series A Convertible Debentures due 2023

1. Interest.

This Debenture shall bear interest at the rate of 1.500% per annum. The Company shall pay interest semiannually in arrears on June 1 and December 1 of each year (each, a "Interest Payment Date"), commencing December 1, 2003. Interest shall accrue from the most recent date to which interest has been paid or, if no interest has been paid from the Issue Date; provided, however, that if there is not an existing Default in the payment of interest and if this Debenture is authenticated between a record date referred to on the face hereof and the next succeeding Interest Payment Date, interest shall accrue from such Interest Payment Date. If the Principal Amount hereof or any portion of such Principal Amount is not paid when due (whether upon acceleration pursuant to Section 6.02 of the Base Indenture, upon the date set for payment of the Redemption Price pursuant to paragraph 5 or 7 hereof, upon the date set for payment of the Purchase Price or Fundamental Change Purchase Price pursuant to paragraph 6 hereof or upon the Stated Maturity of this Debenture), then in each such case the overdue amount shall, to the extent permitted by law, bear interest at the rate of 1.500% per annum which interest shall accrue from the date such overdue amount was originally due to the date payment of such amount, including interest thereon, has been made or duly provided for. All such interest shall be payable on demand. Interest will be computed on the basis of a 360-day year composed of twelve 30-day months.

2. Method of Payment.

Subject to the terms and conditions of the Indenture, the Company will make payments in cash at Stated Maturity and payments in cash, shares of Common Stock or a combination thereof, as the case may be, in respect of Redemption Prices, Purchase Prices and Fundamental Change Purchase Prices to Holders who surrender Debentures to a Paying Agent to collect such payments in respect of the Debentures. The Company will pay cash amounts in money of the United States that at the time of payment is legal tender for payment of public and private debts. However, the Company may make such cash payments by wire transfers of immediately available funds or, at the Company's option, by check payable in such money.

3. Paying Agent, Conversion Agent and Registrar.

Initially, Citibank, N.A. (the "Trustee") will act as Paying Agent, Conversion Agent and Registrar. The Company may appoint and change any Paying Agent, Conversion Agent or Registrar without notice, other than notice to the Trustee; provided that the Company will maintain at least one Paying Agent in the State of New York, City of New York, Borough of Manhattan, which shall initially be an office or agency of the Trustee. The Company or any of its Subsidiaries or any of their Affiliates may act as Paying Agent, Conversion Agent or Registrar.

4. Indenture.

The Company issued the Debentures under an Indenture dated as of June 9, 2003 (the "Base Indenture"), between the Company and the Trustee and a First Supplemental Indenture dated as of June 9, 2003 (the "Supplemental Indenture" and, together with the Base Indenture, the "Indenture"), between the Company and the Trustee. The terms of the Debentures include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as in effect from time to time (the "TIA"). Capitalized terms used herein and not defined herein have the meanings ascribed thereto in the Indenture. The Debentures are subject to all such terms, and Holders are referred to the Indenture and the TIA for a statement of those terms.

The Debentures are general unsecured obligations of the Company limited to \$850,000,000 aggregate principal amount (subject to increase by up to \$125,000,000 in the event the Initial Purchasers exercise the option to purchase additional Debentures granted to them in the Purchase Agreement). The Indenture does not limit other indebtedness of the Company or its Subsidiaries, secured or unsecured.

5. Redemption at the Option of the Company.

No sinking fund is provided for the Debentures. Subject to the terms and conditions of this Indenture, the Debentures are redeemable at the option of the Company in whole or in part, at any time or from time to time on, or after June 6, 2008 for a cash price equal to the Principal Amount of the Debentures to be redeemed plus accrued and unpaid interest (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant Interest Payment Date), if any, up to but not including, the Redemption Date (the "Redemption Price").

6. Purchase By the Company at the Option of the Holder.

Subject to the terms and conditions of the Indenture, the Company shall become obligated to purchase, at the option of the Holder, all or any portion of the Debentures held by such Holder on June 1, 2008, June 1, 2013 and June 1, 2018 or the next Business Day following such dates to the extent such dates are not Business Days in integral multiples of \$1,000 at a Purchase Price equal to the Principal Amount thereof plus accrued and unpaid interest, if any, on the Purchase Date. To exercise such right, a Holder shall deliver to the Company a Purchase Notice containing the information set forth in the Indenture, at any time from the opening of business on the date that is 20 Business Days prior to such Purchase Date until the close of business on the fifth Business Day prior to such Purchase Date, and, if certificated, shall deliver the Debentures to the Paying Agent as set forth in the Indenture.

The Purchase Price for repurchases on June 1, 2008 will be paid in cash. On the other Purchase Dates, the Purchase Price may be paid, at the option of the Company, in cash or by the issuance and delivery of shares of Common Stock, or in any combination thereof.

At the option of the Holder and subject to the terms and conditions of the Indenture, the Company shall become obligated to offer to purchase the Debentures held by such Holder within 15 days (which purchase shall occur 30 days after the date of such offer) after the occurrence of a Fundamental Change (as defined in the Indenture) for a Fundamental Change Purchase Price equal to the Principal Amount thereof plus accrued and unpaid interest, if any, up to but not including, the Fundamental Change Purchase Date, which Fundamental Change Purchase Price shall be paid in cash or, at the Company's option, shares of Common Stock (valued at 99% of the average Closing Sales Prices of the Common Stock (or other applicable security) for the ten trading days ending on the third Business Day prior to the Fundamental Change Purchase Date), or a combination of cash and shares of Common Stock.

Holders do not have a right to withdraw a Fundamental Change Purchase Notice. Holders have the right to withdraw any Purchase Notice by delivering to the Paying Agent a written notice of withdrawal in accordance with the provisions of the Indenture.

If cash (and/or shares of Common Stock or securities, if permitted under the Indenture) sufficient to pay the Purchase Price or Fundamental Change Purchase Price, as the case may be, of all Debentures or portions thereof to be purchased as of the Purchase Date or the Fundamental Change Purchase Date, as the case may be, is deposited with the Paying Agent prior to 10:00 a.m. New York City time on the Purchase Date or the Fundamental Change Purchase Date, interest shall cease to accrue on such Debentures (or portions thereof) on such Purchase Date or Fundamental Change Purchase Date, and the Holder thereof shall have no other rights as such other than the right to receive the Purchase Price or Fundamental Change Purchase Price upon surrender of such Debenture.

7. Redemption Upon Changes in Withholding Taxes.

The Company may redeem all, but not less than all, of the Debentures if (i) there is a change or an amendment in the laws or regulations of the Netherlands Antilles or any political subdivision or taxing authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations; (ii) as a result of such change, the Company became or will become obligated to pay Additional Amounts, as defined in paragraph 8 below, on the next payment date with respect to the Debentures; (iii) the obligation to pay Additional Amounts cannot be avoided through the Company's reasonable measures; (iv) the Company delivers to the Trustee (x) a certificate signed by two of the Company's Officers stating that the obligation to pay Additional Amounts cannot be avoided by the Company's taking reasonable measures available to it; and (y) a written opinion of outside legal counsel to the Company of recognized standing to the effect that the Company has or will become obligated to pay Additional Amounts as a result of a change, amendment, official interpretation or application described above and that the Company cannot avoid the payment of such Additional Amounts by taking reasonable measures available to it; (v) following the delivery of the certificate and opinion described in clause (iv) above, the Company provides notice of redemption not less than 30 days, but not more than 60 days, prior to the earliest date on which the Company would be obligated to pay such Additional Amount.

Upon the occurrence of each of (i) through (v) above, the Company may redeem the Debentures at a redemption price equal to 100% of the principal amount of the Debentures plus accrued and unpaid interest to, but excluding, the redemption date, plus any Additional Amounts (a "tax redemption").

Notwithstanding the foregoing, if the Company has given notice of a tax redemption as described above, each Holder of Debentures will have the right to elect that such Holder's Debentures will not be subject to such tax redemption. If a Holder elects not to be subject to a tax redemption, the Company will not be required to pay Additional Amounts with respect to payments made on that Holder's Debentures following the redemption date fixed by the Company, and all subsequent payments on such Holder's Debentures will be subject to any tax required to be withheld or deducted under Netherlands Antilles law. Holders must elect their option to avoid a tax redemption by written notice to the Trustee no later than the 15th day prior to the redemption date fixed by the Company.

The foregoing provisions shall survive any termination or discharge of this Indenture and shall apply mutatis mutandis to any jurisdiction other than the United States or any state thereof in which any successor Person to the Company is organized or is engaged in business for tax purposes or any political subdivisions or taxing authority or agency thereof or therein.

8. Additional Amounts.

All payments that the Company is required to make under or in respect of the Debentures will be paid without withholding or deductions for or on account of any present or future taxes, duties, assessments or governmental charges imposed by the Netherlands Antilles or any political subdivision or taxing authority thereof or therein having power to tax, unless such withholding or deduction is required by law or the interpretation or administration thereof. In the event the Company is required to withhold or deduct on account of any such taxes from any payment made under or with respect to the Debentures, the Company will pay such Additional Amounts so that the net amount received by each Holder of Debentures, including those Additional Amounts, will equal the amount that such Holder would have received if such taxes had not been required to be withheld or deducted.

Additional Amounts will not be payable with respect to a payment to a Holder of Debentures to the extent (i) the Holder is (x) able to avoid such withholding or deduction by complying with any applicable certification, documentation, information or other reporting requirements concerning the Holder's nationality, residence, identity or connection with the Netherlands Antilles; or (y) liable for such taxes, duties, assessments or governmental charges in respect of the Debentures by reason of its having some connection with the Netherlands Antilles other than merely by the holding of the Debentures and the receipt of payments thereon; (ii) of any estate, inheritance, gift, sales, transfer or personal property taxes imposed with respect to the Debentures or of any other tax imposed other than by withholding on payments by the Company, except as otherwise provided in the Indenture; (iii) that any such taxes would not have been imposed but for

the presentation of such Debentures, where presentation is required, for payment on a date more than 30 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever is later, except to the extent that the Holder would have been entitled to Additional Amounts had the Debentures been presented for payment on any date during such 30-day period, or (iv) that an election was made with respect to that Debenture by the Holder of such Debenture or a prior Holder of such Debenture to avoid a Withholding Tax Redemption pursuant to the last paragraph of Section 3.12 with respect to payments made subsequent to the date of such Withholding Tax Redemption.

References in this Debenture to the payment of principal of or interest on or any amount under this Debenture shall be deemed to include the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable.

9. Notice of Redemption.

Notice of redemption pursuant to paragraph 5 of this Debenture will be mailed not less than 20 days but not more than 60 days before the Redemption Date to each Holder of Debentures to be redeemed at the Holder's registered address. If money sufficient to pay the Redemption Price plus accrued and unpaid interest to, but excluding, the Redemption Date of all Debentures (or portions thereof) to be redeemed on the Redemption Date is deposited with the Paying Agent prior to or on the Redemption Date, immediately after such Redemption Date interest ceases to accrue on such Debentures or portions thereof. Debentures in denominations larger than \$1,000 of Principal Amount may be redeemed in part but only in integral multiples of \$1,000 of Principal Amount.

10. Conversion.

Except as otherwise provided in the Indenture, Holders may surrender Debentures for conversion into Common Stock on a Conversion Date at any time prior to the close of business on the last trading day on the New York Stock Exchange prior to the Stated Maturity of the Debentures. The Conversion Price is equal to the Principal Amount thereof divided by the Conversion Rate then in effect. A Holder may surrender for conversion a Debenture or portion of a Debenture which has been called for redemption pursuant to paragraph 5 hereof until the close of business on the last Business Day prior to the Redemption Date.

A Debenture in respect of which a Holder has delivered a Purchase Notice exercising the option of such Holder to require the Company to purchase such Debenture may be converted only if such notice of exercise is withdrawn in accordance with the terms of the Indenture. A Debenture in respect of which a Holder has delivered a Fundamental Change Notice may not be converted.

The initial Conversion Rate is 13.8255 shares of Common Stock per \$1,000 Principal Amount, subject to adjustment in certain events described in the Indenture. A Holder which surrenders Debentures for conversion will receive cash or a check in lieu of any fractional shares of Common Stock. The cash payment for fractional shares will be based

on the Closing Sale Price of the Common Stock on the trading day immediately prior to the Conversion Date. Delivery of Common Stock will be deemed to satisfy the Company's obligation to pay the principal amount of the Debentures. Accrued interest will be deemed canceled, extinguished or forfeited.

To surrender a Debenture for conversion, a Holder must (1) complete and manually sign an irrevocable conversion notice below (or complete and manually sign a facsimile of such notice) and deliver such notice to the Conversion Agent, (2) surrender the Debenture to the Conversion Agent or cause its securities account to be debited the Principal Amount of the Debenture to be converted, (3) furnish appropriate endorsements and transfer documents or follow appropriate Depository procedures and (4) pay any transfer or similar tax, if required.

The Conversion Rate will be adjusted as provided in Article VII of the Supplemental Indenture. The Company may increase the Conversion Rate as the Company's Board of Directors deems advisable to avoid or diminish any income tax to holders of Common Stock resulting from any dividend or distribution of Capital Stock (or rights to acquire Capital Stock) or from any event treated as such for income tax purposes. The Company may also increase the Conversion Rate for at least 20 days, so long as the increase is irrevocable during such period.

If the Company is a party to a consolidation, amalgamation, merger or other transaction pursuant to which Common Stock is converted into cash, securities or other property, then at the effective time of the transaction, or a transfer of all or substantially all of its assets, or upon certain distributions described in the Indenture, the right to convert a Debenture into shares of Common Stock may be changed into a right to convert it into securities, cash or other property of the Company or another Person.

11. Denominations; Transfer; Exchange.

The Debentures are in fully registered form, without coupons, in denominations of \$1,000 of Principal Amount and integral multiples of \$1,000. A Holder may transfer or exchange Debentures in accordance with the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Indenture. The Registrar need not transfer or exchange any Debentures selected for redemption (except, in the case of a Debenture to be redeemed in part, the portion of the Debenture not to be redeemed) or any Debentures in respect of which a Purchase Notice or Fundamental Change Purchase Notice has been given and, in the case of a Purchase Notice, not withdrawn (except, in the case of a Debenture to be purchased in part, the portion of the Debenture not to be purchased) or any Debentures for a period of 15 days before the mailing of a notice of redemption of Debentures to be redeemed until the date of mailing.

12. Persons Deemed Owners.

The registered Holder of this Debenture may be treated as the owner of this Debenture for all purposes.

13. Unclaimed Money or Debentures.

The Trustee and the Paying Agent shall return to the Company upon written request any money or securities held by them for the payment of any amount with respect to the Debentures that remains unclaimed for two years, subject to applicable unclaimed property law. After return to the Company, Holders entitled to the money or securities must look to the Company for payment as general creditors unless an applicable abandoned property law designates another Person.

14. Amendment; Waiver.

Subject to certain exceptions set forth in the Indenture, the Holders of a majority in principal amount of the outstanding debt securities of all series of Debentures affected by the amendment or supplement (acting as one class) (i) may consent to the amendment or supplement, (ii) may amend or supplement the Indenture and the series of Debentures; and (iii) may waive certain defaults.

Subject to certain exceptions set forth in the Indenture, without the consent of any Holder, the Company and the Trustee may amend or supplement the Indenture and the series of Debentures (i) to cure any ambiguity, omission, defect or inconsistency; (ii) to provide for the assumption of the Company's obligations under the Indenture by a successor upon any merger, consolidation, amalgamation or asset transfer permitted under the Indenture; (iii) to provide for uncertificated Debentures in addition to or in place of certificated Debentures or to provide for bearer Debentures; (iv) to provide any security for or guarantees of the Debentures or for the addition of an additional obligor on the Debentures; (v) to comply with any requirement to effect or maintain the qualification of the Indenture under the TIA; (vi) to add covenants that would benefit the Holders of Debentures or to surrender any rights the Company has under the Indenture; (vii) to add Events of Default with respect to the Debentures; (viii) to make such changes in connection with a consolidation, amalgamation, merger or other transaction as may be necessary so as to not impair the rights of Holders of the Debentures, including the right to receive payment of Additional Amounts in respect of any tax withholding or deduction imposed by the jurisdiction of formation; or (ix) to make any change that does not adversely affect any outstanding Debentures in any material respect.

15. Defaults and Remedies.

Under the Indenture, Events of Default with respect to the Debentures include (i) default for 30 days in payment of any interest on the Debentures, after such interest becomes due and payable; (ii) default in payment of principal and accrued interest at maturity, upon redemption, repurchase or following a Fundamental Change, when the same becomes due and payable; (iii) default by the Company or any of its Significant Subsidiaries under any instrument or instruments evidencing Indebtedness (other than the Debentures) having an outstanding principal amount of \$125 million (or its equivalent in any other currency or currencies) or more that has caused the holders thereof to declare such Indebtedness to be due and payable prior to its stated maturity unless such declaration has been rescinded within 30 days; (iv) default in the payment of any of the Company's or any of its

Significant Subsidiaries' Indebtedness for money borrowed, in an aggregate principal amount exceeding \$125 million (or its equivalent in any other currency or currencies) when such Indebtedness becomes due and payable at final maturity and such default continues unremedied or unwaived for more than 30 Business Days after the expiration of any grace period or extension of the time for payment applicable thereto; (v) default for failure to give notice of the right to require the Company to repurchase Debentures following the occurrence of a Fundamental Change within the time required to give such notice, and such failure continues for 30 days; (vi) default in the Company's performance of any other covenants or agreements in respect of the Debentures contained in the Indenture or the Debentures for 60 days after written notice to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 25% in aggregate principal amount of the Debentures then outstanding (or, in the case of a failure to comply with one of the covenants listed in Section 4.08 or 4.09 of the Base Indenture, of all debt securities issued under the Indenture then outstanding affected by such default); and (vi) certain events of bankruptcy, insolvency or reorganization of the Company or any of its Significant Subsidiaries.

Holders may not enforce the Indenture or the Debentures except as provided in the Indenture. The Trustee may refuse to enforce the Indenture or the Debentures unless it receives reasonable indemnity or security. Subject to certain limitations, Holders of a majority in aggregate Principal Amount of the series of Debentures at the time outstanding may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders notice of any continuing Default (except a Default in payment of amounts specified in clause (i) or (ii) above) if it determines that withholding notice is in their interests.

16. Registration Rights.

The Holders of the Debentures are entitled to the benefits of a Registration Rights Agreement, dated as of June 9, 2003, among the Company and the Initial Purchasers, including the receipt of liquidated damages upon a registration default (as defined in such agreement).

17. Trustee Dealings with the Company.

Subject to certain limitations imposed by the TIA, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Debentures and may otherwise deal with and collect obligations owed to it by the Company or its Affiliates and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Trustee.

18. No Recourse Against Others.

A director, officer, employee or stockholder, as such, of the Company or any Subsidiary shall not have any liability for any obligations of the Company under the Debentures or this Indenture or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Debenture, each Holder shall waive and release all such

liability. The waiver and release shall be part of the consideration for the issue of the Debentures.

19. Authentication.

This Debenture shall not be valid until an authorized signatory of the Trustee manually signs the Trustee's Certificate of Authentication on the other side of this Debenture.

20. Abbreviations.

Customary abbreviations may be used in the name of a Holder or an assignee, such as TEN COM ("tenants in common"), TEN ENT ("tenants by the entirety"), JT TEN ("joint tenants with right of survivorship and not as tenants in common"), CUST ("custodian") and U/G/M/A ("Uniform Gift to Minors Act").

21. GOVERNING LAW.

THIS INDENTURE AND THE DEBENTURES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

The Company will furnish to any Holder upon written request and without charge a copy of the Indenture which has in it the text of this Debenture in larger type. Requests may be made to:

Schlumberger Limited
153 East 53rd/ Street, 57th/ Floor
New York, New York 10022-4624
(212) 350-9400

Attn: Investor Relations
Telephone No.: (212) 350-9400

ASSIGNMENT FORM

CONVERSION NOTICE

To assign this Debenture, fill in the form below:

To convert this Debenture into Common Stock, check the box []

I or we assign and transfer this Debenture to

To convert only part of this Debenture, state in the space provided below the Principal Amount to be converted (which must be \$1,000 or an integral multiple of \$1,000):

(Insert assignee's soc. sec. or tax ID no.)

If you want the stock certificate made out in another person's name fill in the form below:

(Print or type assignee's name, address and zip code)

(Insert the other person's soc. sec. or tax ID no.)

and irrevocably appoint

_____ agent to transfer this Debenture on books of the Company. The agent may substitute another to act for him.

(Print or type other person's name, address and zip code)

Date: _____ Your Signature: _____
(Sign exactly as your name appears on the other side of this Debenture)

Signature Guaranteed

Participant in a Recognized Signature Guarantee Medallion Program

By: _____
Authorized Signatory

SCHEDULE I

SCHLUMBERGER LIMITED

1.500% Series A Convertible Debentures Due 2023

Date	Principal Amount	Notation
------	------------------	----------

A-1-14

[FORM OF FACE OF GLOBAL SECURITY]

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

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS TO NOMINEES OF THE DEPOSITORY TRUST COMPANY, OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN ARTICLE TWO OF THE INDENTURE REFERRED TO ON THE REVERSE HEREOF.

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THE HOLDER HEREOF, BY PURCHASING THIS SECURITY, AGREES FOR THE BENEFIT OF THE COMPANY THAT THIS SECURITY MAY NOT BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED (X) PRIOR TO THE SECOND ANNIVERSARY OF THE ISSUANCE HEREOF (OR ANY PREDECESSOR SECURITY HERETO) OR (Y) BY ANY HOLDER THAT WAS AN "AFFILIATE" (WITHIN THE MEANING OF RULE 144 UNDER THE SECURITIES ACT) OF THE COMPANY AT ANY TIME DURING THE THREE MONTHS PRECEDING THE DATE OF SUCH TRANSFER, IN EITHER CASE OTHER THAN (1) TO THE COMPANY, (2) SO LONG AS THIS SECURITY IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A, PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (3) IN AN OFFSHORE TRANSACTION (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT) IN ACCORDANCE WITH REGULATIONS UNDER THE SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 (IF APPLICABLE) UNDER THE SECURITIES ACT OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING THIS SECURITY, REPRESENTS AND AGREES FOR THE BENEFIT OF THE COMPANY THAT IT IS (1) A QUALIFIED INSTITUTIONAL BUYER OR (2) NOT A U.S. PERSON AND IS OUTSIDE THE UNITED STATES WITHIN THE MEANING OF (OR AN ACCOUNT SATISFYING THE REQUIREMENTS OF PARAGRAPH (k)(2) OF RULE 902 UNDER) REGULATIONS UNDER THE SECURITIES ACT. IN ANY CASE THE HOLDER

HEREOF WILL NOT, DIRECTLY OR INDIRECTLY, ENGAGE IN ANY HEDGING TRANSACTION WITH REGARD TO THIS SECURITY OR ANY COMMON STOCK ISSUABLE UPON CONVERSION OF THIS SECURITY EXCEPT AS PERMITTED BY THE SECURITIES ACT.

The foregoing legend may be removed from this Security on satisfaction of the conditions specified in the Indenture.

SCHLUMBERGER LIMITED

2.125% Series B Convertible Debentures due 2023

No. CUSIP: 806857AA6

Issue Date: June 9, 2003

SCHLUMBERGER LIMITED, a Netherlands Antilles corporation, promises to pay to Cede & Co. or registered assigns, the principal amount of () on June 1, 2023.

Interest Payment Dates: June 1 and December 1

Record Dates: May 15 and November 15

This Debenture is convertible as specified on the other side of this Debenture.

Additional provisions of this Debenture are set forth on the other side of this Debenture.

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed as of the [] day of [], 2[].

SCHLUMBERGER LIMITED

By: _____
Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

CITIBANK, N.A., as Trustee, certifies that this is one of the Debentures referred to in the within-mentioned Indenture.

Dated: [], 2[]

CITIBANK, N.A.

By: _____
Name:
Title:

2.125% Series B Convertible Debentures due 2023

1. Interest.

This Debenture shall bear interest at the rate of 2.125% per annum. The Company shall pay interest semiannually in arrears on June 1 and December 1 of each year (each, a "Interest Payment Date"), commencing December 1, 2003. Interest shall accrue from the most recent date to which interest has been paid or, if no interest has been paid from the Issue Date; provided, however, that if there is not an existing Default in the payment of interest and if this Debenture is authenticated between a record date referred to on the face hereof and the next succeeding Interest Payment Date, interest shall accrue from such Interest Payment Date. If the Principal Amount hereof or any portion of such Principal Amount is not paid when due (whether upon acceleration pursuant to Section 6.02 of the Base Indenture, upon the date set for payment of the Redemption Price pursuant to paragraph 5 or 7 hereof, upon the date set for payment of the Purchase Price or Fundamental Change Purchase Price pursuant to paragraph 6 hereof or upon the Stated Maturity of this Debenture), then in each such case the overdue amount shall, to the extent permitted by law, bear interest at the rate of 2.125% per annum which interest shall accrue from the date such overdue amount was originally due to the date payment of such amount, including interest thereon, has been made or duly provided for. All such interest shall be payable on demand. Interest will be computed on the basis of a 360-day year composed of twelve 30-day months.

2. Method of Payment.

Subject to the terms and conditions of the Indenture, the Company will make payments in cash at Stated Maturity and payments in cash, shares of Common Stock or a combination thereof, as the case may be, in respect of Redemption Prices, Purchase Prices and Fundamental Change Purchase Prices to Holders who surrender Debentures to a Paying Agent to collect such payments in respect of the Debentures. The Company will pay cash amounts in money of the United States that at the time of payment is legal tender for payment of public and private debts. However, the Company may make such cash payments by wire transfers of immediately available funds or, at the Company's option, by check payable in such money.

3. Paying Agent, Conversion Agent and Registrar.

Initially, Citibank, N.A. (the "Trustee") will act as Paying Agent, Conversion Agent and Registrar. The Company may appoint and change any Paying Agent, Conversion Agent or Registrar without notice, other than notice to the Trustee; provided that the Company will maintain at least one Paying Agent in the State of New York, City of New York, Borough of Manhattan, which shall initially be an office or agency of the Trustee. The Company or any of its Subsidiaries or any of their Affiliates may act as Paying Agent, Conversion Agent or Registrar.

4. Indenture.

The Company issued the Debentures under an Indenture dated as of June 9, 2003 (the "Base Indenture"), between the Company and the Trustee and a First Supplemental Indenture dated as of June 9, 2003 (the "Supplemental Indenture" and, together with the Base Indenture, the "Indenture"), between the Company and the Trustee. The terms of the Debentures include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as in effect from time to time (the "TIA"). Capitalized terms used herein and not defined herein have the meanings ascribed thereto in the Indenture. The Debentures are subject to all such terms, and Holders are referred to the Indenture and the TIA for a statement of those terms.

The Debentures are general unsecured obligations of the Company limited to \$450,000,000 aggregate principal amount (subject to increase by up to \$75,000,000 in the event the Initial Purchasers exercise the option to purchase additional Debentures granted to them in the Purchase Agreement). The Indenture does not limit other indebtedness of the Company or its Subsidiaries, secured or unsecured.

5. Redemption at the Option of the Company.

No sinking fund is provided for the Debentures. Subject to the terms and conditions of this Indenture, the Debentures are redeemable at the option of the Company in whole or in part, at any time or from time to time on, or after June 6, 2010 for a cash price equal to the Principal Amount of the Debentures to be redeemed plus accrued and unpaid interest (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant Interest Payment Date), if any, up to but not including, the Redemption Date (the "Redemption Price").

6. Purchase By the Company at the Option of the Holder.

Subject to the terms and conditions of the Indenture, the Company shall become obligated to purchase, at the option of the Holder, all or any portion of the Debentures held by such Holder on June 1, 2010, June 1, 2013 and June 1, 2018 or the next Business Day following such dates to the extent such dates are not Business Days in integral multiples of \$1,000 at a Purchase Price equal to the Principal Amount thereof plus accrued and unpaid interest, if any, on the Purchase Date. To exercise such right, a Holder shall deliver to the Company a Purchase Notice containing the information set forth in the Indenture, at any time from the opening of business on the date that is 20 Business Days prior to such Purchase Date until the close of business on the fifth Business Day prior to such Purchase Date, and, if certificated, shall deliver the Debentures to the Paying Agent as set forth in the Indenture.

The Purchase Price for repurchases on June 1, 2010 will be paid in cash. On the other Purchase Dates, the Purchase Price may be paid, at the option of the Company, in cash or by the issuance and delivery of shares of Common Stock, or in any combination thereof.

At the option of the Holder and subject to the terms and conditions of the Indenture, the Company shall become obligated to offer to purchase the Debentures held by such Holder within 15 days (which purchase shall occur 30 days after the date of such offer) after the occurrence of a Fundamental Change (as defined in the Indenture) for a Fundamental Change Purchase Price equal to the Principal Amount thereof plus accrued and unpaid interest, if any, up to but not including, the Fundamental Change Purchase Date, which Fundamental Change Purchase Price shall be paid in cash or, at the Company's option, shares of Common Stock (valued at 99% of the average Closing Sales Prices of the Common Stock (or other applicable security) for the ten trading days ending on the third Business Day prior to the Fundamental Change Purchase Date), or a combination of cash and shares of Common Stock.

Holders do not have a right to withdraw a Fundamental Change Purchase Notice. Holders have the right to withdraw any Purchase Notice by delivering to the Paying Agent a written notice of withdrawal in accordance with the provisions of the Indenture.

If cash (and/or shares of Common Stock or securities if permitted under the Indenture) sufficient to pay the Purchase Price or Fundamental Change Purchase Price, as the case may be, of all Debentures or portions thereof to be purchased as of the Purchase Date or the Fundamental Change Purchase Date, as the case may be, is deposited with the Paying Agent prior to 10:00 a.m. New York City time on the Purchase Date or the Fundamental Change Purchase Date, interest shall cease to accrue on such Debentures (or portions thereof) on such Purchase Date or Fundamental Change Purchase Date, and the Holder thereof shall have no other rights as such other than the right to receive the Purchase Price or Fundamental Change Purchase Price upon surrender of such Debenture.

7. Redemption Upon Changes in Withholding Taxes.

The Company may redeem all, but not less than all, of the Debentures if (i) there is a change or an amendment in the laws or regulations of the Netherlands Antilles or any political subdivision or taxing authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations; (ii) as a result of such change, the Company became or will become obligated to pay Additional Amounts, as defined in paragraph 8 below, on the next payment date with respect to the Debentures; (iii) the obligation to pay Additional Amounts cannot be avoided through the Company's reasonable measures; (iv) the Company delivers to the Trustee (x) a certificate signed by two of the Company's Officers stating that the obligation to pay Additional Amounts cannot be avoided by the Company's taking reasonable measures available to it; and (y) a written opinion of outside legal counsel to the Company of recognized standing to the effect that the Company has or will become obligated to pay Additional Amounts as a result of a change, amendment, official interpretation or application described above and that the Company cannot avoid the payment of such Additional Amounts by taking reasonable measures available to it; (v) following the delivery of the certificate and opinion described in clause (iv) above, the Company provides notice of redemption not less than 30 days, but not more than 60 days, prior to the earliest date on which the Company would be obligated to pay such Additional Amount.

Upon the occurrence of each of (i) through (v) above, the Company may redeem the Debentures at a redemption price equal to 100% of the principal amount of the Debentures plus accrued and unpaid interest to, but excluding, the redemption date, plus any Additional Amounts (a "tax redemption").

Notwithstanding the foregoing, if the Company has given notice of a tax redemption as described above, each Holder of Debentures will have the right to elect that such Holder's Debentures will not be subject to such tax redemption. If a Holder elects not to be subject to a tax redemption, the Company will not be required to pay Additional Amounts with respect to payments made on that Holder's Debentures following the redemption date fixed by the Company, and all subsequent payments on such Holder's Debentures will be subject to any tax required to be withheld or deducted under Netherlands Antilles law. Holders must elect their option to avoid a tax redemption by written notice to the Trustee no later than the 15th day prior to the redemption date fixed by the Company.

The foregoing provisions shall survive any termination or discharge of this Indenture and shall apply mutatis mutandis to any jurisdiction other than the United States or any state thereof in which any successor Person to the Company is organized or is engaged in business for tax purposes or any political subdivisions or taxing authority or agency thereof or therein.

8. Additional Amounts.

All payments that the Company is required to make under or in respect of the Debentures will be paid without withholding or deductions for or on account of any present or future taxes, duties, assessments or governmental charges imposed by the Netherlands Antilles or any political subdivision or taxing authority thereof or therein having power to tax, unless such withholding or deduction is required by law or the interpretation or administration thereof. In the event the Company is required to withhold or deduct on account of any such taxes from any payment made under or with respect to the Debentures, the Company will pay such Additional Amounts so that the net amount received by each Holder of Debentures, including those Additional Amounts, will equal the amount that such Holder would have received if such taxes had not been required to be withheld or deducted.

Additional Amounts will not be payable with respect to a payment to a Holder of Debentures to the extent (i) the Holder is (x) able to avoid such withholding or deduction by complying with any applicable certification, documentation, information or other reporting requirements concerning the Holder's nationality, residence, identity or connection with the Netherlands Antilles; or (y) liable for such taxes, duties, assessments or governmental charges in respect of the Debentures by reason of its having some connection with the Netherlands Antilles other than merely by the holding of the Debentures and the receipt of payments thereon; (ii) of any estate, inheritance, gift, sales, transfer or personal property taxes imposed with respect to the Debentures or of any other tax imposed other than by withholding on payments by the Company, except as otherwise provided in the Indenture; (iii) that any such taxes would not have been imposed but for

the presentation of such Debentures, where presentation is required, for payment on a date more than 30 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever is later, except to the extent that the Holder would have been entitled to Additional Amounts had the Debentures been presented for payment on any date during such 30-day period, or (iv) that an election was made with respect to that Debenture by the Holder of such Debenture or a prior Holder of such Debenture to avoid a Withholding Tax Redemption pursuant to the last paragraph of Section 3.12 with respect to payments made subsequent to the date of such Withholding Tax Redemption.

References in this Debenture to the payment of principal of or interest on or any amount under this Debenture, shall be deemed to include the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable.

9. Notice of Redemption.

Notice of redemption pursuant to paragraph 5 of this Debenture will be mailed not less than 20 days but not more than 60 days before the Redemption Date to each Holder of Debentures to be redeemed at the Holder's registered address. If money sufficient to pay the Redemption Price plus accrued and unpaid interest to, but excluding, the Redemption Date of all Debentures (or portions thereof) to be redeemed on the Redemption Date is deposited with the Paying Agent prior to or on the Redemption Date, immediately after such Redemption Date interest ceases to accrue on such Debentures or portions thereof. Debentures in denominations larger than \$1,000 of Principal Amount may be redeemed in part but only in integral multiples of \$1,000 of Principal Amount.

10. Conversion.

Except as otherwise provided in the Indenture, Holders may surrender Debentures for conversion into Common Stock on a Conversion Date at any time prior to the close of business on the last trading day on the New York Stock Exchange prior to the Stated Maturity of the Debentures. The Conversion Price is equal to the Principal Amount thereof divided by the Conversion Rate then in effect. A Holder may surrender for conversion a Debenture or portion of a Debenture which has been called for redemption pursuant to paragraph 5 hereof until the close of business on the last Business Day prior to the Redemption Date.

A Debenture in respect of which a Holder has delivered a Purchase Notice exercising the option of such Holder to require the Company to purchase such Debenture may be converted only if such notice of exercise is withdrawn in accordance with the terms of the Indenture. A Debenture in respect of which a Holder has delivered a Fundamental Change Notice may not be converted.

The initial Conversion Rate is 12.5000 shares of Common Stock per \$1,000 Principal Amount, subject to adjustment in certain events described in the Indenture. A Holder which surrenders Debentures for conversion will receive cash or a check in lieu of any fractional shares of Common Stock. The cash payment for fractional shares will be based

on the Closing Sale Price of the Common Stock on the trading day immediately prior to the Conversion Date. Delivery of Common Stock will be deemed to satisfy the Company's obligation to pay the principal amount of the Debentures. Accrued interest will be deemed canceled, extinguished or forfeited.

To surrender a Debenture for conversion, a Holder must (1) complete and manually sign an irrevocable conversion notice below (or complete and manually sign a facsimile of such notice) and deliver such notice to the Conversion Agent, (2) surrender the Debenture to the Conversion Agent or cause its securities account to be debited the Principal Amount of the Debenture to be converted, (3) furnish appropriate endorsements and transfer documents or follow appropriate Depository procedures and (4) pay any transfer or similar tax, if required.

The Conversion Rate will be adjusted as provided in Article VII of the Supplemental Indenture. The Company may increase the Conversion Rate as the Company's Board of Directors deems advisable to avoid or diminish any income tax to holders of Common Stock resulting from any dividend or distribution of Capital Stock (or rights to acquire Capital Stock) or from any event treated as such for income tax purposes. The Company may also increase the Conversion Rate for at least 20 days, so long as the increase is irrevocable during such period.

If the Company is a party to a consolidation, amalgamation, merger or other transaction pursuant to which Common Stock is converted into cash, securities or other property, then at the effective time of the transaction, or a transfer of all or substantially all of its assets, or upon certain distributions described in the Indenture, the right to convert a Debenture into shares of Common Stock may be changed into a right to convert it into securities, cash or other property of the Company or another Person.

11. Denominations; Transfer; Exchange.

The Debentures are in fully registered form, without coupons, in denominations of \$1,000 of Principal Amount and integral multiples of \$1,000. A Holder may transfer or exchange Debentures in accordance with the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Indenture. The Registrar need not transfer or exchange any Debentures selected for redemption (except, in the case of a Debenture to be redeemed in part, the portion of the Debenture not to be redeemed) or any Debentures in respect of which a Purchase Notice or Fundamental Change Purchase Notice has been given and, in the case of a Purchase Notice, not withdrawn (except, in the case of a Debenture to be purchased in part, the portion of the Debenture not to be purchased) or any Debentures for a period of 15 days before the mailing of a notice of redemption of Debentures to be redeemed until the date of mailing.

12. Persons Deemed Owners.

The registered Holder of this Debenture may be treated as the owner of this Debenture for all purposes.

13. Unclaimed Money or Debentures.

The Trustee and the Paying Agent shall return to the Company upon written request any money or securities held by them for the payment of any amount with respect to the Debentures that remains unclaimed for two years, subject to applicable unclaimed property law. After return to the Company, Holders entitled to the money or securities must look to the Company for payment as general creditors unless an applicable abandoned property law designates another Person.

14. Amendment; Waiver.

Subject to certain exceptions set forth in the Indenture, the Holders of a majority in principal amount of the outstanding debt securities of all series of Debentures affected by the amendment or supplement (acting as one class) (i) may consent to the amendment or supplement, (ii) may amend or supplement the Indenture and the series of Debentures; and (iii) may waive certain defaults.

Subject to certain exceptions set forth in the Indenture, without the consent of any Holder, the Company and the Trustee may amend or supplement the Indenture and the series of Debentures (i) to cure any ambiguity, omission, defect or inconsistency; (ii) to provide for the assumption of the Company's obligations under the Indenture by a successor upon any merger, consolidation, amalgamation or asset transfer permitted under the Indenture; (iii) to provide for uncertificated Debentures in addition to or in place of certificated Debentures or to provide for bearer Debentures; (iv) to provide any security for or guarantees of the Debentures or the addition of an additional obligor on the Debentures; (v) to comply with any requirement to effect or maintain the qualification of the Indenture under the TIA; (vi) to add covenants that would benefit the Holders of Debentures or to surrender any rights the Company has under the Indenture; (vii) to add Events of Default with respect to the Debentures; (viii) to make such changes in connection with a consolidation, amalgamation, merger or other transaction as may be necessary so as to not impair the rights of Holders of the Debentures, including the right to receive payment of Additional Amounts in respect of any tax withholding or deduction imposed by the jurisdiction of formation; or (ix) to make any change that does not adversely affect any outstanding Debentures in any material respect.

15. Defaults and Remedies.

Under the Indenture, Events of Default with respect to the Debentures include (i) default for 30 days in payment of any interest on the Debentures, after such interest becomes due and payable; (ii) default in payment of principal and accrued interest at maturity, upon redemption, repurchase or following a Fundamental Change, when the same becomes due and payable; (iii) default by the Company or any of its Significant Subsidiaries under any instrument or instruments evidencing Indebtedness (other than the Debentures) having an outstanding principal amount of \$125 million (or its equivalent in any other currency or currencies) or more that has caused the holders thereof to declare such Indebtedness to be due and payable prior to its stated maturity unless such declaration has been rescinded within 30 days; (iv) default in the payment of any of the Company's or any of its

Significant Subsidiaries' Indebtedness for money borrowed in an aggregate principal amount exceeding \$125 million (or its equivalent in any other currency or currencies) when such Indebtedness becomes due and payable at final maturity and such default continues unremedied or unwaived for more than 30 Business Days after the expiration of any grace period or extension of the time for payment applicable thereto; (v) default for failure to give notice of the right to require the Company to repurchase Debentures following the occurrence of a Fundamental Change within the time required to give such notice, and such failure continues for 30 days; (vi) default in the Company's performance of any other covenants or agreements in respect of the Debentures contained in the Indenture or the Debentures for 60 days after written notice to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 25% in aggregate principal amount of the Debentures then outstanding (or, in the case of a failure to comply with one of the covenants listed in Section 4.08 or 4.09 of the Base Indenture, of all debt securities issued under the Indenture then outstanding affected by such default); and (vi) certain events of bankruptcy, insolvency or reorganization of the Company or any of its Significant Subsidiaries.

Holders may not enforce the Indenture or the Debentures except as provided in the Indenture. The Trustee may refuse to enforce the Indenture or the Debentures unless it receives reasonable indemnity or security. Subject to certain limitations, Holders of a majority in aggregate Principal Amount of the series of Debentures at the time outstanding may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders notice of any continuing Default (except a Default in payment of amounts specified in clause (i) or (ii) above) if it determines that withholding notice is in their interests.

16. Registration Rights.

The Holders of the Debentures are entitled to the benefits of a Registration Rights Agreement, dated as of June 9, 2003, among the Company and the Initial Purchasers, including the receipt of liquidated damages upon a registration default (as defined in such agreement).

17. Trustee Dealings with the Company.

Subject to certain limitations imposed by the TIA, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Debentures and may otherwise deal with and collect obligations owed to it by the Company or its Affiliates and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Trustee.

18. No Recourse Against Others.

A director, officer, employee or stockholder, as such, of the Company or any Subsidiary shall not have any liability for any obligations of the Company under the Debentures or this Indenture or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Debenture, each Holder shall waive and release all such

liability. The waiver and release shall be part of the consideration for the issue of the Debentures.

19. Authentication.

This Debenture shall not be valid until an authorized signatory of the Trustee manually signs the Trustee's Certificate of Authentication on the other side of this Debenture.

20. Abbreviations.

Customary abbreviations may be used in the name of a Holder or an assignee, such as TEN COM ("tenants in common"), TEN ENT ("tenants by the entireties"), JT TEN ("joint tenants with right of survivorship and not as tenants in common"), CUST ("custodian") and U/G/M/A ("Uniform Gift to Minors Act").

21. GOVERNING LAW.

THIS INDENTURE AND THE DEBENTURES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

The Company will furnish to any Holder upon written request and without charge a copy of the Indenture which has in it the text of this Debenture in larger type. Requests may be made to:

Schlumberger Limited
153 East 53rd/ Street, 57th/ Floor
New York, New York 10022-4624
(212) 350-9400

Attn: Investor Relations
Telephone No.: (212) 350-9400

ASSIGNMENT FORM

CONVERSION NOTICE

To assign this Debenture, fill in the form below:

To convert this Debenture into Common Stock, check the box []

I or we assign and transfer this Debenture to

To convert only part of this Debenture, state in the space provided below the Principal Amount to be converted (which must be \$1,000 or an integral multiple of \$1,000):

(Insert assignee's soc. sec. or tax ID no.)

If you want the stock certificate made out in another person's name fill in the form below:

(Print or type assignee's name, address and zip code)

(Insert the other person's soc. sec. or tax ID no.)

and irrevocably appoint

_____ agent to transfer this Debenture on the books of the Company. The agent may substitute another to act for him.

(Print or type other person's name, address and zip code)

Date: _____ Your Signature: _____
(Sign exactly as your name appears on the other side of this Debenture)

Signature Guaranteed

Participant in a Recognized Signature Guarantee Medallion Program

By: _____
Authorized Signatory

SCHEDULE I

SCHLUMBERGER LIMITED

2.125% Series B Convertible Debentures Due 2023

Date	Principal Amount	Notation
	A-2-14	

[Form of Certificated Security]

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THE HOLDER HEREOF, BY PURCHASING THIS SECURITY, AGREES FOR THE BENEFIT OF THE COMPANY THAT THIS SECURITY MAY NOT BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED (X) PRIOR TO THE SECOND ANNIVERSARY OF THE ISSUANCE HEREOF (OR ANY PREDECESSOR SECURITY HERETO) OR (Y) BY ANY HOLDER THAT WAS AN "AFFILIATE" (WITHIN THE MEANING OF RULE 144 UNDER THE SECURITIES ACT) OF THE COMPANY AT ANY TIME DURING THE THREE MONTHS PRECEDING THE DATE OF SUCH TRANSFER, IN EITHER CASE OTHER THAN (1) TO THE COMPANY, (2) SO LONG AS THIS SECURITY IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A, PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (3) IN AN OFFSHORE TRANSACTION (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT) IN ACCORDANCE WITH REGULATIONS UNDER THE SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 (IF APPLICABLE) UNDER THE SECURITIES ACT OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING THIS SECURITY, REPRESENTS AND AGREES FOR THE BENEFIT OF THE COMPANY THAT IT IS (1) A QUALIFIED INSTITUTIONAL BUYER OR (2) NOT A U.S. PERSON AND IS OUTSIDE THE UNITED STATES WITHIN THE MEANING OF (OR AN ACCOUNT SATISFYING THE REQUIREMENTS OF PARAGRAPH (k) (2) OF RULE 902 UNDER) REGULATIONS UNDER THE SECURITIES ACT. IN ANY CASE THE HOLDER HEREOF WILL NOT, DIRECTLY OR INDIRECTLY, ENGAGE IN ANY HEDGING TRANSACTION WITH REGARD TO THIS SECURITY OR ANY COMMON STOCK ISSUABLE UPON CONVERSION OF THIS SECURITY EXCEPT AS PERMITTED BY THE SECURITIES ACT.

The foregoing legend may be removed from this Security on satisfaction of the conditions specified in the Indenture.

SCHLUMBERGER LIMITED

1.500% Series A Convertible Debentures due 2023

No. CUSIP: 806857AB4

Issue Date: June 9, 2003

SCHLUMBERGER LIMITED, a Netherlands Antilles corporation, promises to pay to Cede & Co. or registered assigns, the principal amount of (\$) on June 1, 2023.

Interest Payment Dates: June 1 and December 1

Record Dates: May 15 and November 15

This Debenture is convertible as specified on the other side of this Debenture.

Additional provisions of this Debenture are set forth on the other side of this Debenture.

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed as of the 9/th/ day of June, 2003.

SCHLUMBERGER LIMITED

By: _____
Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

CITIBANK, N.A., as Trustee, certifies that this is one of the Debentures referred to in the within-mentioned Indenture.

Dated: June 9, 2003

CITIBANK, N.A.

By: _____
Name:
Title:

[FORM OF REVERSE OF CERTIFICATED SECURITY
IS IDENTICAL TO EXHIBIT A-1]

A-3-3

[Form of Certificated Security]

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THE HOLDER HEREOF, BY PURCHASING THIS SECURITY, AGREES FOR THE BENEFIT OF THE COMPANY THAT THIS SECURITY MAY NOT BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED (X) PRIOR TO THE SECOND ANNIVERSARY OF THE ISSUANCE HEREOF (OR ANY PREDECESSOR SECURITY HERETO) OR (Y) BY ANY HOLDER THAT WAS AN "AFFILIATE" (WITHIN THE MEANING OF RULE 144 UNDER THE SECURITIES ACT) OF THE COMPANY AT ANY TIME DURING THE THREE MONTHS PRECEDING THE DATE OF SUCH TRANSFER, IN EITHER CASE OTHER THAN (1) TO THE COMPANY, (2) SO LONG AS THIS SECURITY IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A, PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (3) IN AN OFFSHORE TRANSACTION (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT) IN ACCORDANCE WITH REGULATIONS UNDER THE SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 (IF APPLICABLE) UNDER THE SECURITIES ACT OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING THIS SECURITY, REPRESENTS AND AGREES FOR THE BENEFIT OF THE COMPANY THAT IT IS (1) A QUALIFIED INSTITUTIONAL BUYER OR (2) NOT A U.S. PERSON AND IS OUTSIDE THE UNITED STATES WITHIN THE MEANING OF (OR AN ACCOUNT SATISFYING THE REQUIREMENTS OF PARAGRAPH (k) (2) OF RULE 902 UNDER) REGULATIONS UNDER THE SECURITIES ACT. IN ANY CASE THE HOLDER HEREOF WILL NOT, DIRECTLY OR INDIRECTLY, ENGAGE IN ANY HEDGING TRANSACTION WITH REGARD TO THIS SECURITY OR ANY COMMON STOCK ISSUABLE UPON CONVERSION OF THIS SECURITY EXCEPT AS PERMITTED BY THE SECURITIES ACT.

The foregoing legend may be removed from this Security on satisfaction of the conditions specified in the Indenture.

SCHLUMBERGER LIMITED

2.125% Series B Convertible Debentures due 2023

No. CUSIP: 806857AA6

Issue Date: June 9, 2003

SCHLUMBERGER LIMITED, a Netherlands Antilles corporation, promises to pay to Cede & Co. or registered assigns, the principal amount of (\$) on June 1, 2023.

Interest Payment Dates: June 1 and December 1

Record Dates: May 15 and November 15

This Debenture is convertible as specified on the other side of this Debenture.

Additional provisions of this Debenture are set forth on the other side of this Debenture.

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed as of the 9/th/ day of June, 2003.

SCHLUMBERGER LIMITED

By: _____
Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

CITIBANK, N.A., as Trustee, certifies that this is one of the Debentures referred to in the within-mentioned Indenture.

Dated: June 9, 2003

CITIBANK, N.A.

By: _____
Name:
Title:

[FORM OF REVERSE OF CERTIFICATED SECURITY
IS IDENTICAL TO EXHIBIT A-2]

A-4-3

EXHIBIT B

Transfer Certificate

In connection with any transfer of any of the Debentures within the period prior to the expiration of the holding period applicable to the sales thereof under Rule 144(k) under the Securities Act of 1933, as amended (the "Securities Act") (or any successor provision), the undersigned registered owner of this Debenture hereby certifies with respect to \$_____ Principal Amount of the above-captioned Debentures presented or surrendered on the date hereof (the "Surrendered Debentures") for registration of transfer, or for exchange or conversion where the securities deliverable upon such exchange or conversion are to be registered in a name other than that of the undersigned registered owner (each such transaction being a "transfer"), that such transfer complies with the restrictive legend set forth on the face of the Surrendered Debentures for the reason checked below:

- A transfer of the Surrendered Debentures is made to the Company or any subsidiaries; or
- The transfer of the Surrendered Debentures complies with Rule 144A under the U.S. Securities Act of 1933, as amended (the "Securities Act"); or
- The transfer of the Surrendered Debentures is being made to a purchaser who is not a U.S. person (as defined in Regulation S under the Securities Act) in an offshore transaction pursuant to Regulation S under the Securities Act; or
- The transfer of the Surrendered Debentures is pursuant to an effective registration statement under the Securities Act; or
- The transfer of the Surrendered Debentures is pursuant to another available exemption from the registration requirement of the Securities Act;

and unless the box below is checked, the undersigned confirms that, to the undersigned's knowledge, such Debentures are not being transferred to an "affiliate" of the Company as defined in Rule 144 under the Securities Act (an "Affiliate").

- The transferee is an Affiliate of the Company.

DATE: _____
Signature(s)

(If the registered owner is a corporation, partnership or fiduciary, the title of the Person signing on behalf of such registered owner must be stated.)

Signature Guaranteed

Participant in a Recognized Signature Guarantee Medallion Program

By: _____
Authorized Signatory

EXHIBIT C

FORM OF TRANSFER CERTIFICATE FOR TRANSFER
OF RESTRICTED COMMON STOCK

(Transfers pursuant to Section 7.20 of the Indenture)

[NAME AND ADDRESS OF COMMON STOCK TRANSFER AGENT]

Re: Schlumberger Limited - 1.500% Series A Convertible Debentures due
June 1, 2023 and 2.125% Series B Convertible Debentures due June
1, 2023 (collectively, the "Securities")

Reference is hereby made to the Indenture and First Supplement thereto,
each dated as of June 9, 2003 (collectively, the "Indenture") between
Schlumberger Limited and Citibank, N.A., as Trustee. Capitalized terms used but
not defined herein shall have the meanings given them in the Indenture.

This letter relates to _____ shares of Common Stock represented by
the accompanying certificate(s) that were issued upon conversion of Securities
and which are held in the name of [name of transferor] (the "Transferor") to
effect the transfer of such Common Stock.

In connection with the transfer of such shares of Common Stock, the
undersigned confirms that such shares of Common Stock are being transferred:

CHECK ONE BOX BELOW

- (1) to the Company; or
- (2) pursuant to and in compliance with Rule 144A under the
Securities Act of 1933; or
- (3) pursuant to and in compliance with Regulation S under the
Securities Act of 1933; or
- (4) pursuant to an exemption from registration under the Securities
Act of 1933 provided by Rule 144 thereunder.

Unless one of the boxes is checked, the transfer agent will refuse to register any of the Common Stock evidenced by this certificate in the name of any person other than the registered holder thereof; provided, however, that if box (3) or (4) is checked, the transfer agent may require, prior to registering any such transfer of the Common Stock such certifications and other information, and if box (4) is checked such legal opinions, as the Company has reasonably requested in writing, by delivery to the transfer agent of a standing letter of instruction, to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933.

[Name of Transferor],

By _____
Name: _____
Title: _____

Dated:

A-4-3

Schlumberger Limited

1.500% Series A Convertible Debentures due June 1, 2023
2.125% Series B Convertible Debentures due June 1, 2023

Registration Rights Agreement

June 9, 2003

Citigroup Global Markets Inc.
Goldman, Sachs & Co.,

As representatives of the several Purchasers
named in Schedule I hereto

c/o Goldman, Sachs & Co.
85 Broad Street
New York, New York 10004

Ladies and Gentlemen:

Schlumberger Limited (Schlumberger N.V.), a Netherlands Antilles corporation established in Curacao (the "Company"), proposes to issue and sell to the several parties named in Schedule I to the Purchase Agreement (the "Purchasers") for whom you are acting as representatives, upon the terms set forth in the purchase agreement dated June 4, 2003 (the "Purchase Agreement"), its 1.500% Series A Convertible Debentures due June 1, 2023 and its 2.125% Series B Convertible Debentures due June 1, 2023 (collectively, the "Securities"). As an inducement to the Purchasers to enter into the Purchase Agreement and in satisfaction of a condition to the obligations of the Purchasers thereunder, the Company agrees with the several Purchasers for the benefit of Holders (as defined herein) from time to time of the Registrable Securities (as defined herein) as follows:

1. Definitions.

(a) Capitalized terms used herein without definition shall have the meanings ascribed to them in the Purchase Agreement. As used in this Agreement, the following defined terms shall have the following meanings:

"Act" or "Securities Act" means the United States Securities Act of 1933, as amended.

"Affiliate" of any specified person means any other person which, directly or indirectly, is in control of, is controlled by, or is under common control with such specified person. For purposes of this definition, control of a person means the power, direct or indirect, to direct or cause the direction of the management and policies of such person whether by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Applicable Amount" means, (i) with respect to the Securities, the principal amount of the Securities and, (ii) with respect to shares of Common Stock issued upon conversion of the Securities pursuant to the Indenture, the principal amount of Securities that would then be convertible into such shares.

"Business Day" means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York are generally authorized or obligated by law or executive order to close.

"Closing Date" means the First Time of Delivery as defined in the Purchase Agreement.

"Commission" means the United States Securities and Exchange Commission, or any other federal agency at the time administering the Exchange Act, the Securities Act or the Trust Indenture Act, whichever is the relevant statute for the particular purpose.

"Common Stock" means the Company's common stock, par value \$.01 per share.

"DTC" means The Depository Trust Company.

"Effectiveness Period" has the meaning assigned thereto in Section 2(b)(i) hereof.

"Effective Time" means the time at which the Commission declares the Shelf Registration Statement effective or at which the Shelf Registration Statement otherwise becomes effective.

"Electing Holder" has the meaning assigned thereto in Section 3(a)(iii) hereof.

"Exchange Act" means the United States Securities Exchange Act of 1934, as amended.

"Holder" means, any person that is the record owner of Registrable Securities (and includes any person that has a beneficial interest in any Registrable Security in book-entry form).

"Indenture" means the Indenture, dated as of June 9, 2003, between the Company and Citibank, N.A., as supplemented by the first supplemental indenture thereto dated as of the same date, and as further amended and supplemented from time to time in accordance with its terms.

"Liquidated Damages" has the meaning assigned thereto in Section 7(a) hereof.

"Managing Underwriters" means the investment banker or investment bankers and manager or managers that shall administer an underwritten offering, if any, conducted pursuant to Section 6 hereof.

"NASD Rules" means the Rules of the National Association of Securities Dealers, Inc., as amended from time to time.

"Notice and Questionnaire" means a Notice of Registration Statement and Selling Securityholder Questionnaire substantially in the form of Appendix A hereto.

The term "person" means an individual, partnership, corporation, trust or unincorporated organization, or a government or agency or political subdivision thereof.

"Prospectus" means the prospectus (including, without limitation, any preliminary prospectus, any final prospectus and any prospectus that discloses information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A under the Act) included in the Shelf Registration Statement, as amended or supplemented by any prospectus supplement with respect to the terms of the offering of any portion of the Registrable Securities covered by the Shelf Registration Statement and by all other amendments and supplements to such prospectus, including all material incorporated by reference in such prospectus and all documents filed after the date of such prospectus by the Company under the Exchange Act and incorporated by reference therein.

"Registrable Securities" means all or any portion of the Securities issued from time to time under the Indenture in registered form and the shares of Common Stock issuable upon conversion of such Securities; provided, however, that a security ceases to be a Registrable Security when it is no longer a Restricted Security.

"Registration Default" has the meaning assigned thereto in Section 7(a) hereof.

"Restricted Security" means any Security or share of Common Stock issuable upon conversion thereof except any such Security or share of Common Stock that (i) has been effectively registered under the Securities Act and sold in a manner contemplated by the Shelf Registration Statement, (ii) has been transferred in compliance with Rule 144 under the Securities Act (or any successor provision thereto) or is transferable pursuant to paragraph (k) of such Rule 144 (or any successor provision thereto) (assuming that the Holder thereto is not an Affiliate of the Company) or (iii) has otherwise been transferred and a new Security or share of Common Stock not subject to transfer restrictions under the Securities Act has been delivered by or on behalf of the Company in accordance with the Indenture.

"Rules and Regulations" means the published rules and regulations of the Commission promulgated under the Securities Act or the Exchange Act, as in effect at any relevant time.

"Shelf Registration" means a registration effected pursuant to Section 2 hereof.

"Shelf Registration Statement" means a "shelf" registration statement filed under the Securities Act providing for the registration of, and the sale on a continuous or delayed basis by the Holders of, all of the Registrable Securities pursuant to Rule 415 under the Securities Act and/or any similar rule that may be adopted by the Commission, filed by the Company pursuant to the provisions of Section 2 of this Agreement, including the Prospectus contained therein, any amendments and supplements to such registration statement, including post-effective amendments, and all exhibits and all material incorporated by reference in such registration statement.

"Suspension Period" has the meaning assigned thereto in Section 2(c) hereof.

"Trust Indenture Act" means the Trust Indenture Act of 1939, or any successor thereto, and the rules, regulations and forms promulgated thereunder, as the same shall be amended from time to time.

The term "underwriter" means any underwriter of Registrable Securities in connection with an offering thereof under a Shelf Registration Statement.

(b) Wherever there is a reference in this Agreement to a percentage of the "principal amount" of Registrable Securities or to a percentage of Registrable Securities, Common Stock shall be treated as representing the Applicable Amount with respect thereto.

2. Shelf Registration.

(a) The Company shall, no later than 120 calendar days following the Closing Date, file with the Commission a Shelf Registration Statement relating to the offer and sale of the Registrable Securities by the Holders from time to time in accordance with the methods of distribution elected by such Holders and, thereafter, shall use its best efforts to cause such Shelf Registration Statement to be declared effective under the Act no later than 180 calendar days following the Closing Date; provided, however, that the Company may, upon written notice to all Electing Holders, postpone having the Shelf Registration Statement declared effective for a reasonable period not to exceed 90 days if the Company possesses material non-public information, the disclosure of which would have a material adverse effect on the Company and its subsidiaries taken as a whole; provided, further, however, that no Holder shall be entitled to be named as a selling securityholder in the Shelf Registration Statement or to use the Prospectus forming a part thereof for resales of Registrable Securities unless such Holder is an Electing Holder.

(b) The Company shall use its reasonable best efforts:

(i) to keep the Shelf Registration Statement continuously effective, supplemented and amended as required by the provisions of Section 3(j) hereto, in order to permit the Prospectus forming a part thereof to be usable by Holders until the earliest of (1) the sale of all Registrable Securities registered under the Shelf Registration Statement; (2) the expiration of the period referred to in Rule 144(k) of the Act with respect to all Registrable Securities held by Persons that are not Affiliates of the Company; (3) two years from the last date of original issuance of any Registrable Securities; and (4) the date when there are no Registrable Securities outstanding (such period being referred to herein as the "Effectiveness Period").

(ii) after the Effective Time of the Shelf Registration Statement, promptly upon the request of any Holder of Registrable Securities that is not then an Electing Holder, to take any action reasonably necessary to enable such Holder to use the Prospectus forming a part thereof for resales of Registrable Securities, including, without limitation, any action necessary to identify such Holder as a selling securityholder in the Shelf Registration Statement; provided, however, that nothing in this subparagraph shall relieve such Holder of the obligation to return a completed and signed Notice and Questionnaire to the Company in accordance with Section 3(a)(ii) hereof; and

(iii) if at any time the Securities, pursuant to the Indenture, are convertible into securities other than Common Stock, to cause, or to cause any successor under the Indenture to cause, such securities to be included in the Shelf Registration Statement no later than the date on which the Securities may then be convertible into such securities.

The Company shall be deemed not to have used its reasonable best efforts to keep the Shelf Registration Statement effective during the Effectiveness Period if the Company voluntarily takes any action that would result in Holders of Registrable Securities covered thereby not being able to offer and sell any of such Registrable Securities during that period, unless such action is (A) required by applicable law and the Company thereafter promptly complies with the requirements of paragraph 3(j) below or (B) permitted pursuant to Section 2(c) below.

(c) The Company may suspend the use of the Prospectus for a period not to exceed 45 days in any 90-day period or an aggregate of 120 days in any 360-day period, during the period beginning on the issue date and ending on or prior to the second anniversary of the last issue date of any Debentures (each, a "Suspension Period") if the Company shall have determined in good faith that because of valid business reasons (not including avoidance of the Company's obligations hereunder), including the acquisition or divestiture of assets, pending corporate developments and similar events, it is in the best interests of the Company to suspend such use, and prior to suspending such use the Company provides the Holders with written notice of such suspension, which notice need not specify the nature of the event giving rise to such suspension. Each Holder, by its acceptance of the Securities, agrees to hold any such communication by the Company in confidence.

3. Registration Procedures. In connection with the Shelf Registration Statement, the following provisions shall apply:

(a) (i) Not less than 30 calendar days prior to the Effective Time of the Shelf Registration Statement, the Company shall mail the Notice and Questionnaire to the Holders of Registrable Securities. Holders of Registrable Securities shall have at least 20 calendar days from the date on which the Notice and Questionnaire is first mailed to such Holders to return a completed and signed Notice and Questionnaire to the Company. The Company shall take action to name each Holder that is an Electing Holder as of the date that is 5 business days prior to the effectiveness of the Shelf Registration Statement as a selling securityholder in the Shelf Registration Statement at the time of its effectiveness so that such Holder is permitted to deliver the Prospectus forming a part thereof as of such time to purchasers of such Holder's Registrable Securities in accordance with applicable law. The Company shall not be required to take any action to name any Holder as a selling securityholder in the Shelf Registration Statement or to enable any Holder to use the Prospectus forming a part thereof for resales of Registrable Securities until such Holder has returned a completed and signed Notice and Questionnaire to the Company.

(ii) After the Effective Time of the Shelf Registration Statement, the Company shall, upon the request of any Holder of Registrable Securities that is not then an Electing Holder, promptly send a Notice and Questionnaire to such Holder. From and after the Effective Time of the Shelf Registration Statement, the Company shall (A) as promptly as is practicable after the date a completed and signed Notice and Questionnaire is delivered to the Company, and in any event within ten Business Days after such date, prepare and file with the Commission (x) a supplement to the Prospectus or, if required by applicable law, a post-effective amendment to the Shelf Registration Statement and (y) any other document required by applicable law, so that the Holder delivering such Notice and Questionnaire is named as a selling securityholder in the Shelf Registration Statement and is permitted to deliver the Prospectus to purchasers of such Holder's Registrable Securities in accordance with applicable law, and (B) if the Company shall file a post-effective amendment to the Shelf

Registration Statement, use its reasonable best efforts to cause such post-effective amendment to become effective under the Securities Act as promptly as is practicable; provided, however, that if a Notice and Questionnaire is delivered to the Company during a Suspension Period, the Company shall not be obligated to take the actions set forth in this clause (ii) until the termination of such Suspension Period.

(iii) The term "Electing Holder" shall mean any Holder of Registrable Securities that has returned a completed and signed Notice and Questionnaire to the Company in accordance with Section 3(a) (i) or 3(a) (ii) hereof.

(b) The Company shall furnish to one counsel for the Electing Holders, prior to the Effective Time, a copy of the Shelf Registration Statement initially filed with the Commission, and shall furnish to such counsel, prior to the filing thereof with the Commission, copies of each amendment thereto and each amendment or supplement, if any, to the Prospectus included therein, and shall use its best efforts to reflect in each such document, at the Effective Time or when so filed with the Commission, as the case may be, such comments as the Holders and their counsel reasonably may propose.

(c) The Company shall promptly take such action as may be necessary so that (i) each of the Shelf Registration Statement and any amendment thereto and the Prospectus forming a part thereof and any amendment or supplement thereto (and each report or other document incorporated therein by reference in each case) complies in all material respects with the Securities Act and the Exchange Act and the respective rules and regulations thereunder, (ii) each of the Shelf Registration Statement and any amendment thereto does not, when it becomes effective, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading and (iii) each of the Prospectus forming a part of the Shelf Registration Statement, and any amendment or supplement to such Prospectus, does not at any time during the Effectiveness Period include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(d) The Company shall promptly advise each Electing Holder, and shall confirm such advice in writing if so requested by any such Electing Holder:

(i) when a Shelf Registration Statement and any amendment thereto has been filed with the Commission and when a Shelf Registration Statement or any post-effective amendment thereto has become effective, in each case making a public announcement thereof on the Company's web site or by release made to Dow Jones & Company, Inc., Reuters Economic Services and Bloomberg Business News;

(ii) of any request by the Commission for amendments or supplements to the Shelf Registration Statement or the Prospectus included therein or for additional information;

(iii) of the issuance by the Commission of any stop order suspending the effectiveness of the Shelf Registration Statement or the initiation of any proceedings for such purpose;

(iv) of the receipt by the Company of any notification with respect to the

suspension of the qualification of the securities included in the Shelf Registration Statement for sale in any jurisdiction or the initiation of any proceeding for such purpose; and

(v) of the happening of any event or the existence of any state of facts that requires the making of any changes in the Shelf Registration Statement or the Prospectus included therein so that, as of such date, such Shelf Registration Statement and Prospectus do not contain an untrue statement of a material fact and do not omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of the Prospectus, in light of the circumstances under which they were made) not misleading (which advice shall be accompanied by an instruction to such Holders to suspend the use of the Prospectus until the requisite changes have been made which notice need not specify the nature of the event giving rise to such suspension).

(e) The Company shall use its reasonable best efforts to prevent the issuance, and if issued to obtain the withdrawal at the earliest possible time, of any order suspending the effectiveness of the Shelf Registration Statement.

(f) The Company shall furnish to each Electing Holder who so requests in writing, without charge, at least one copy of the Shelf Registration Statement and all post-effective amendments thereto, including financial statements and schedules, and, if so requested, all reports, other documents and exhibits that are filed with or incorporated by reference in the Shelf Registration Statement.

(g) The Company shall, during the Effectiveness Period, deliver to each Electing Holder, without charge, as many copies of the Prospectus (including each preliminary Prospectus) included in the Shelf Registration Statement and any amendment or supplement thereto as such Electing Holder may reasonably request; and the Company consents (except during a Suspension Period or during the continuance of any event described in Section 3(d)(v) above) to the use of the Prospectus and any amendment or supplement thereto by each of the Electing Holders in connection with the offering and sale of the Registrable Securities covered by the Prospectus and any amendment or supplement thereto during the Effectiveness Period.

(h) Prior to any offering of Registrable Securities pursuant to the Shelf Registration Statement, the Company shall (i) register or qualify or cooperate with the Electing Holders and their respective counsel in connection with the registration or qualification of such Registrable Securities for offer and sale under the securities or "blue sky" laws of such jurisdictions within the United States as any Electing Holder may reasonably request, (ii) keep such registrations or qualifications in effect and comply with such laws so as to permit the continuance of offers and sales in such jurisdictions for so long as may be necessary to enable any Electing Holder or underwriter, if any, to complete its distribution of Registrable Securities pursuant to the Shelf Registration Statement, and (iii) take any and all other actions necessary or advisable to enable the disposition in such jurisdictions of such Registrable Securities; provided, however, that in no event shall the Company be obligated to (A) qualify as a foreign corporation or as a dealer in securities in any jurisdiction where it would not otherwise be required to so qualify but for this Section 3(h) or (B) file any general consent to service of process in any jurisdiction where it is not as of the date hereof so subject.

(i) Unless any Registrable Securities shall be in book-entry only form, the Company shall cooperate with the Electing Holders to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold pursuant to the Shelf Registration Statement, which certificates, if so required by any securities exchange upon which any Registrable Securities are listed, shall be penned, lithographed or engraved, or produced by any combination of such methods, on steel engraved borders, and which certificates shall be free of any restrictive legends and in such permitted denominations and registered in such names as Electing Holders may request in connection with the sale of Registrable Securities pursuant to the Shelf Registration Statement.

(j) Upon the occurrence of any fact or event contemplated by paragraph 3(d)(v) above, subject to Section 2(c) hereof, the Company shall promptly, but in any event within 5 Business Days following such occurrence, prepare, file (and have declared effective) a post-effective amendment to any Shelf Registration Statement or an amendment or supplement to the related Prospectus included therein or file any other document with the Commission so that, as thereafter delivered to purchasers of the Registrable Securities, the Prospectus will not include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If the Company notifies the Electing Holders of the occurrence of any fact or event contemplated by paragraph 3(d)(v) above, the Electing Holder shall suspend the use of the Prospectus until the requisite changes to the Prospectus have been made.

(k) Not later than the Effective Time of the Shelf Registration Statement, the Company shall provide a CUSIP number for the Registrable Securities that are debt securities.

(l) The Company shall use its reasonable best efforts to comply with all applicable Rules and Regulations, and to make generally available to its securityholders as soon as practicable, but in any event not later than eighteen months after (i) the effective date (as defined in Rule 158(c) under the Securities Act) of the Shelf Registration Statement, (ii) the effective date of each post-effective amendment to the Shelf Registration Statement, and (iii) the date of each filing by the Company with the Commission of an Annual Report on Form 10-K that is incorporated by reference in the Shelf Registration Statement, an earning statement of the Company and its subsidiaries complying with Section 11(a) of the Securities Act and the rules and regulations of the Commission thereunder (including, at the option of the Company, Rule 158).

(m) Not later than the Effective Time of the Shelf Registration Statement, the Company shall cause the Indenture to be qualified under the Trust Indenture Act; in connection with such qualification, the Company shall cooperate with the Trustee under the Indenture and the Holders (as defined in the Indenture) to effect such changes to the Indenture as may be required for such Indenture to be so qualified in accordance with the terms of the Trust Indenture Act; and the Company shall execute, and shall use all reasonable efforts to cause the Trustee to execute, all documents that may be required to effect such changes and all other forms and documents required to be filed with the Commission to enable such Indenture to be so qualified in a timely manner. In the event that any such amendment or modification referred to in this Section 3(m) involves the appointment of a new trustee under the Indenture, the Company shall appoint a new trustee thereunder pursuant to the applicable provisions of the Indenture.

(n) In the event of an underwritten offering conducted pursuant to Section 6 hereof, the Company shall, if requested, promptly include or incorporate in a Prospectus supplement or post-effective amendment to the Shelf Registration Statement such information as the Managing Underwriters reasonably agree should be included therein and to which the Company does not reasonably object and shall make all required filings of such Prospectus supplement or post-effective amendment as soon as practicable after it is notified of the matters to be included or incorporated in such Prospectus supplement or post-effective amendment.

(o) The Company shall enter into such customary agreements (including an underwriting agreement in customary form in the event of an underwritten offering conducted pursuant to Section 6 hereof) and take all other appropriate action in order to expedite and facilitate the registration and disposition of the Registrable Securities, and in connection therewith, if an underwriting agreement is entered into, cause the same to contain indemnification provisions and procedures substantially identical to those set forth in Section 5 hereof with respect to all parties to be indemnified pursuant to Section 5 hereof.

(p) The Company shall:

(i) (A) make reasonably available for inspection by the Electing Holders, any underwriter participating in any disposition pursuant to the Shelf Registration Statement, and any attorney, accountant or other agent retained by such Electing Holders or any such underwriter all relevant financial and other records, pertinent corporate documents and properties of the Company and its subsidiaries, and (B) cause the Company's officers, directors and employees to supply all information reasonably requested by such Electing Holders or any such underwriter, attorney, accountant or agent in connection with the Shelf Registration Statement, in each case, as is customary for similar due diligence examinations; provided, however, that all records, information and documents that are designated in writing by the Company, in good faith, as confidential shall be kept confidential by such Electing Holders and any such underwriter, attorney, accountant or agent, unless such disclosure is made in connection with a court proceeding or required by law, or such records, information or documents become available to the public generally or through a third party without an accompanying obligation of confidentiality; and provided further that, if the foregoing inspection and information gathering would otherwise disrupt the Company's conduct of its business, such inspection and information gathering shall, to the greatest extent possible, be coordinated on behalf of the Electing Holders and the other parties entitled thereto by one counsel designated by and on behalf of the Electing Holders and other parties;

(ii) in connection with any underwritten offering conducted pursuant to Section 6 hereof, make such representations and warranties to the Managing Underwriters, in form, substance and scope as are customarily made by the Company to underwriters in primary underwritten offerings of equity and convertible debt securities and covering matters including, but not limited to, those set forth in the Purchase Agreement;

(iii) in connection with any underwritten offering conducted pursuant to Section 6 hereof, use reasonable best efforts to obtain opinions of counsel to the Company (which counsel and opinions (in form, scope and substance) shall generally be consistent with the opinions of counsel of the Company under the Purchase Agreement and be reasonably satisfactory to the Managing Underwriters) addressed to the

underwriters, covering such matters as are customarily covered in opinions requested in primary underwritten offerings of equity and convertible debt securities and such other matters as may be reasonably requested by such Electing Holders and underwriters (it being agreed that the matters to be covered by such opinions shall include, without limitation, as of the date of the opinion and as of the Effective Time of the Shelf Registration Statement or most recent post-effective amendment thereto, as the case may be, the absence from the Shelf Registration Statement and the Prospectus, including the documents incorporated by reference therein, of an untrue statement of a material fact or the omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of the Prospectus, in the light of the circumstances under which they were made) not misleading;

(iv) in connection with any underwritten offering conducted pursuant to Section 6 hereof, use reasonable best efforts to obtain "cold comfort" letters and updates thereof from the independent public accountants of the Company (and, if necessary, from the independent public accountants of any subsidiary of the Company or of any business acquired by the Company for which financial statements and financial data are, or are required to be, included in the Shelf Registration Statement), addressed to each Electing Holder participating in such underwritten offering (if such Electing Holder has provided such letter, representations or documentation, if any, required for such cold comfort letter to be so addressed) and the underwriters, in customary form and covering matters of the type customarily covered in "cold comfort" letters in connection with primary underwritten offerings;

(v) in connection with any underwritten offering conducted pursuant to Section 6 hereof, deliver such documents and certificates as may be reasonably requested by any Electing Holders participating in such underwritten offering and the Managing Underwriters, if any, including, without limitation, certificates to evidence compliance with Section 3(j) hereof and with any conditions contained in the underwriting agreement or other agreements entered into by the Company.

(q) The Company will use its best efforts to cause the Common Stock issuable upon conversion of the Securities to be listed on the New York Stock Exchange or other stock exchange or trading system on which the Common Stock primarily trades on or prior to the Effective Time of the Shelf Registration Statement hereunder.

(r) The Company shall use its reasonable best efforts to take all other steps necessary to effect the registration, offering and sale of the Registrable Securities covered by the Shelf Registration Statement contemplated hereby.

4. Registration Expenses. Except as otherwise provided in Section 3, the Company shall bear all fees and expenses incurred in connection with the performance of its obligations under Sections 2, 3 and 6 hereof and shall bear or reimburse the Electing Holders for the reasonable fees and disbursements of a single counsel selected by a plurality of all Electing Holders who own an aggregate of not less than 25% of the principal amount of the Registrable Securities covered by the Shelf Registration Statement, or designated by the Purchasers if Electing Holders have not so designated, to act as counsel therefore in connection therewith. Each Electing Holder shall pay all underwriting discounts and commissions and transfer taxes, if any, relating to the sale or disposition of such Electing Holder's Registrable Securities pursuant to the Shelf Registration Statement.

5. Indemnification and Contribution.

(a) Indemnification by the Company. Upon the registration of the Registrable Securities pursuant to Section 2 hereof, the Company shall indemnify and hold harmless each Electing Holder and each underwriter, selling agent or other securities professional, if any, which facilitates the disposition of Registrable Securities, and each of their respective officers and directors and each person who controls such Electing Holder, underwriter, selling agent or other securities professional within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (each such person being sometimes referred to as an "Indemnified Person") against any losses, claims, damages or liabilities, joint or several, to which such Indemnified Person may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Shelf Registration Statement under which such Registrable Securities are to be registered under the Securities Act, or any Prospectus contained therein or furnished by the Company to any Indemnified Person, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and the Company hereby agrees to reimburse such Indemnified Person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such action or claim as such expenses are incurred; provided, however, that the Company shall not be liable to any such Indemnified Person in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such Shelf Registration Statement or Prospectus, or amendment or supplement, in reliance upon and in conformity with written information furnished to the Company by such Indemnified Person expressly for use therein.

(b) Indemnification by the Electing Holders and any Agents and Underwriters. Each Electing Holder agrees, as a consequence of the inclusion of any of such Electing Holder's Registrable Securities in such Shelf Registration Statement, and each underwriter, selling agent or other securities professional, if any, which facilitates the disposition of Registrable Securities shall agree, as a consequence of facilitating such disposition of Registrable Securities, severally and not jointly, to (i) indemnify and hold harmless the Company, its directors, officers who sign any Shelf Registration Statement and each person, if any, who controls the Company within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, against any losses, claims, damages or liabilities to which the Company or such other persons may become subject, under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in such Shelf Registration Statement or Prospectus, or any amendment or supplement, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by such Electing Holder, underwriter, selling agent or other securities professional expressly for use therein, and (ii) reimburse the Company for any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such action or claim as such expenses are incurred.

(c) Notices of Claims, Etc. Promptly after receipt by an indemnified party under subsection (a) or (b) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against an indemnifying party under this Section 5, notify such indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party otherwise than under the indemnification provisions of or contemplated by subsection (a) or (b) above. In case any such action shall be brought against any indemnified party and it shall notify an indemnifying party of the commencement thereof, such indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, such indemnifying party shall not be liable to such indemnified party under this Section 5 for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the written consent of the indemnified party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability arising out of such action 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) Contribution. If the indemnification provided for in this Section 5 is unavailable to or insufficient to hold harmless an indemnified party under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative fault of the indemnifying party and the indemnified party in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative fault of such indemnifying party and indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by such indemnifying party or by such indemnified party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 5(d) were determined by pro rata allocation (even if the Electing Holders or any underwriters, selling agents or other securities professionals or all of them were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in this Section 5(d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above shall be deemed to include any legal or other fees or expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The

obligations of the Electing Holders and any underwriters, selling agents or other securities professionals in this Section 5(d) to contribute shall be several in proportion to the percentage of principal amount of Registrable Securities registered or underwritten, as the case may be, by them and not joint.

(e) Notwithstanding any other provision of this Section 5, in no event will any (i) Electing Holder be required to undertake liability to any person under this Section 5 for any amounts in excess of the dollar amount of the proceeds to be received by such Holder from the sale of such Holder's Registrable Securities (after deducting any fees, discounts and commissions applicable thereto) pursuant to any Shelf Registration Statement under which such Registrable Securities are to be registered under the Securities Act and (ii) underwriter, selling agent or other securities professional be required to undertake liability to any person hereunder for any amounts in excess of the discount, commission or other compensation payable to such underwriter, selling agent or other securities professional with respect to the Registrable Securities underwritten by it and distributed to the public.

(f) The obligations of the Company under this Section 5 shall be in addition to any liability which the Company may otherwise have to any Indemnified Person and the obligations of any Indemnified Person under this Section 5 shall be in addition to any liability which such Indemnified Person may otherwise have to the Company. The remedies provided in this Section 5 are not exclusive and shall not limit any rights or remedies which may otherwise be available to an indemnified party at law or in equity.

6. Underwritten Offering. Any Holder of Registrable Securities who desires to do so may sell Registrable Securities (in whole or in part) in an underwritten offering; provided that (i) the Electing Holders of at least 50% in aggregate principal amount of the Registrable Securities initially covered by the Shelf Registration Statement shall request such an offering and (ii) at least such aggregate principal amount of such Registrable Securities shall be included in such offering. Upon receipt of such a request, the Company shall provide all Holders of Registrable Securities written notice of the request, which notice shall inform such Holders that they have the opportunity to participate in the offering. In any such underwritten offering, the investment banker or bankers and manager or managers that will administer the offering will be selected by, and the underwriting arrangements with respect thereto (including the size of the offering) will be approved by, the holders of a majority of the Registrable Securities to be included in such offering; provided, however, that such investment bankers and managers and underwriting arrangements must be reasonably satisfactory to the Company. No Holder may participate in any underwritten offering contemplated hereby unless (a) such Holder agrees to sell such Holder's Registrable Securities to be included in the underwritten offering in accordance with any approved underwriting arrangements, (b) such Holder completes and executes all reasonable questionnaires, powers of attorney, indemnities, underwriting agreements, lock-up letters and other documents required under the terms of such approved underwriting arrangements, and (c) if such Holder is not then an Electing Holder, such Holder returns a completed and signed Notice and Questionnaire to the Company in accordance with Section 3(a)(ii) hereof within a reasonable amount of time before such underwritten offering. The Holders participating in any underwritten offering shall be responsible for any underwriting discounts and commissions and fees and, subject to Section 4 hereof, expenses of their own counsel. The Company shall pay all expenses customarily borne by issuers in an underwritten offering, including but not limited to filing fees, the fees and disbursements of its counsel and independent public accountants and any printing expenses incurred in connection with such

underwritten offering. Notwithstanding the foregoing or the provisions of Section 3(n) hereof, upon receipt of a request from the Managing Underwriter or a representative of holders of a majority of the Registrable Securities to be included in an underwritten offering to prepare and file an amendment or supplement to the Shelf Registration Statement and Prospectus in connection with an underwritten offering, the Company may delay the filing of any such amendment or supplement for up to 90 days if the Board of Directors of the Company shall have determined in good faith that the Company has a bona fide business reason for such delay.

7. Liquidated Damages.

(a) Notwithstanding any postponement of the effectiveness pursuant to Section 2(a) hereof, if (i) on or prior to the 120th day following the Closing Date, a Shelf Registration Statement has not been filed with the Commission, (ii) on or prior to the 180th day following the Closing Date, such Shelf Registration Statement is not declared effective by the Commission or (iii) if, after the effectiveness date of the Shelf Registration Statement, (x) the Shelf Registration Statement ceases to be effective or usable for the offer and sale of Registrable Securities (other than due to a Suspension Period), and the Company fails to file (and have declared effective), within 5 Business Days, a post-effective amendment to the Shelf Registration Statement or amendment or supplement to the Prospectus contained therein or such other document with the SEC to make the Shelf Registration Statement effective or such Prospectus usable, or (y) Suspension Periods exceed 45 days, whether or not consecutive, in any 90-day period, or more than 120 days, whether or not consecutive, during any 360-day period during the Effectiveness Period (each, a "Registration Default"), the Company shall be required to pay liquidated damages ("Liquidated Damages"), from and including the day following such Registration Default until such Registration Default is cured, at a rate per annum equal to one-quarter of one percent (0.25%) of the Applicable Amount, to and including the 90th day following such Registration Default and one-half of one percent (0.5%) thereof from and after the 91st day following such Registration Default.

(b) A Holder will not be entitled to Liquidated Damages unless it has complied with such Holder's obligations under this Agreement.

(c) Any amounts to be paid as Liquidated Damages pursuant to paragraphs (a) of this Section 7 shall be paid in cash semi-annually in arrears, with the first semi-annual payment due on the first June 1 or December 1, as applicable, following the date on which such Liquidated Damages begin to accrue, to Holders of record on the preceding May 15 or November 15, as the case may be.

(d) Except as provided in Section 8(b) hereof, the Liquidated Damages as set forth in this Section 7 shall be the exclusive monetary remedy available to the Holders of Registrable Securities for such Registration Default. In no event shall the Company be required to pay Liquidated Damages in excess of the applicable maximum amount of one-half of one percent (0.5%) set forth above, regardless of whether one or multiple Registration Defaults exist.

7. Miscellaneous.

(a) Other Registration Rights. The Company may grant registration rights that would permit any person that is a third party the right to piggy-back on any shelf registration statement, provided that if the Managing Underwriter of any underwritten offering conducted pursuant to Section 6 hereof notifies the Company and the Electing Holders that the total

amount of securities which the Electing Holders and the holders of such piggy-back rights intend to include in any Shelf Registration Statement is so large as to materially threaten the success of such offering (including the price at which such securities can be sold), then the amount, number or kind of securities to be offered for the account of holders of such piggy-back rights will be reduced to the extent necessary to reduce the total amount of securities to be included in such offering to the amount, number and kind recommended by the Managing Underwriter prior to any reduction in the amount of Registrable Securities to be included in such Shelf Registration Statement.

(b) Specific Performance. The parties hereto acknowledge that there would be no adequate remedy at law if the Company fails to perform any of its obligations hereunder and that the Purchasers and the Holders from time to time may be irreparably harmed by any such failure, and accordingly agree that the Purchasers and such Holders, in addition to any other remedy to which they may be entitled at law or in equity and without limiting the remedies available to the Electing Holders under Section 7 hereof, shall be entitled to compel specific performance of the obligations of the Company under this Registration Rights Agreement in accordance with the terms and conditions of this Registration Rights Agreement, in any court of the United States or any State thereof having jurisdiction.

(c) Amendments and Waivers. This Agreement, including this Section 8(c), may be amended, and waivers or consents to departures from the provisions hereof may be given, only by a written instrument duly executed by the Company and the holders of a majority in Applicable Amount of Registrable Securities then outstanding. Each Holder of Registrable Securities outstanding at the time of any such amendment, waiver or consent or thereafter shall be bound by any amendment, waiver or consent effected pursuant to this Section 8(c), whether or not any notice, writing or marking indicating such amendment, waiver or consent appears on the Registrable Securities or is delivered to such Holder.

(d) Notices. All notices and other communications provided for or permitted hereunder shall be given as provided in the Indenture.

(e) Parties in Interest. The parties to this Agreement intend that all Holders of Registrable Securities shall be entitled to receive the benefits of this Agreement and that any Electing Holder shall be bound by the terms and provisions of this Agreement by reason of such election with respect to the Registrable Securities which are included in a Shelf Registration Statement. All the terms and provisions of this Agreement shall be binding upon, shall inure to the benefit of and shall be enforceable by the respective successors and assigns of the parties hereto and any Holder from time to time of the Registrable Securities to the aforesaid extent. In the event that any transferee of any Holder of Registrable Securities shall acquire Registrable Securities, in any manner, whether by gift, bequest, purchase, operation of law or otherwise, such transferee shall, without any further writing or action of any kind, be entitled to receive the benefits of and, if an Electing Holder, be conclusively deemed to have agreed to be bound by and to perform all of the terms and provisions of this Agreement to the aforesaid extent.

(f) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(g) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(h) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

(i) Severability. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstances, is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired or affected thereby, it being intended that all of the rights and privileges of the parties hereto shall be enforceable to the fullest extent permitted by law.

(j) Survival. The respective indemnities, agreements, representations, warranties and other provisions set forth in this Agreement or made pursuant hereto shall remain in full force and effect, regardless of any investigation (or any statement as to the results thereof) made by or on behalf of any Electing Holder, any director, officer or partner of such Holder, any agent or underwriter, any director, officer or partner of such agent or underwriter, or any controlling person of any of the foregoing, and shall survive the transfer and registration of the Registrable Securities of such Holder.

9. Submission to Jurisdiction; Appointment of Agent for Service

The Company agrees that any suit, action or proceeding against the Company arising out of or based upon this Agreement or the transactions contemplated hereby may be instituted in any State or Federal court in The City of New York, New York, and waives any objection which it may now or hereafter have to the laying of venue of any such proceeding, and irrevocably submits to the non-exclusive jurisdiction of such courts in any suit, action or proceeding. The Company has appointed National Registered Agents, Inc. as its authorized agent (the "Authorized Agent") upon whom process may be served in any suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated herein which may be instituted in any State or Federal court in The City of New York, New York, and expressly accepts the non-exclusive jurisdiction of any such court in respect of any such suit, action or proceeding. The Company hereby represents and warrants that the Authorized Agent has accepted such appointment and has agreed to act as said agent for service of process, and the Company and agrees to take any and all action, including the filing of any and all documents that may be necessary to continue such appointment in full force and effect as aforesaid.

Please confirm that the foregoing correctly sets forth the agreement between the Company and you.

Very truly yours,
Schlumberger Limited

By: /s/ Michel Soublin

Name: Michel Soublin
Title: Treasurer

Accepted as of the date hereof:

Citigroup Global Markets Inc.

By: /s/ Jean-Pierre Buyze

Name: Jean-Pierre Buyze
Title: Vice President

Goldman, Sachs & Co.

/s/ Goldman, Sachs & Co.

(Goldman, Sachs & Co.)

Schlumberger Limited

INSTRUCTION TO DTC PARTICIPANTS

(Date of Mailing)

URGENT - IMMEDIATE ATTENTION REQUESTED

DEADLINE FOR RESPONSE: [DATE]

The Depository Trust Company ("DTC") has identified you as a DTC Participant through which beneficial interests in either the 1.500% Series A Convertible Debentures due June 1, 2023 or the 2.125% Series B Convertible Debentures due June 1, 2023 (collectively, the "Securities") of Schlumberger Limited (the "Company") are held.

The Company is in the process of registering the Securities under the Securities Act of 1933 for resale by the beneficial owners thereof. In order to have their Securities included in the registration statement, beneficial owners must complete and return the enclosed Notice of Registration Statement and Selling Securityholder Questionnaire.

It is important that beneficial owners of the Securities receive a copy of the enclosed materials as soon as possible as their rights to have the Securities included in the registration statement depend upon their returning the Notice and Questionnaire by [Deadline for response]. Please forward a copy of the enclosed documents to each beneficial owner that holds interests in the Securities through you. If you require more copies of the enclosed materials or have any questions pertaining to this matter, please contact [Name, address and telephone number of contact at the Issuer].

Schlumberger Limited

Notice of Registration Statement
and
Selling Securityholder Questionnaire

[Date]

Schlumberger Limited (the "Company") has filed with the United States Securities and Exchange Commission (the "Commission") a registration statement on Form S-3 (the "Shelf Registration Statement") for the registration and resale under Rule 415 of the United States Securities Act of 1933, as amended (the "Securities Act"), of the Company's 1.500% Series A Convertible Debentures due June 1, 2023 (the "Series A Debentures") and 2.125% Series B Convertible Debentures due June 1, 2023 (the "Series B Debentures" and, together with the Series A Debentures, the "Securities") and the shares of common stock, par value \$.01 per share (the "Common Stock"), issuable upon conversion thereof, in accordance with the Registration Rights Agreement, dated as of June 9, 2003 (the "Registration Rights Agreement"), between the Company and the purchasers named therein. A copy of the Registration Rights Agreement is attached hereto. All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Registration Rights Agreement.

In order to have Registrable Securities included in the Shelf Registration Statement (or a supplement or amendment thereto), this Notice of Registration Statement and Selling Securityholder Questionnaire ("Notice and Questionnaire") must be completed, executed and delivered to the Company at the address set forth herein for receipt ON OR BEFORE [DEADLINE FOR RESPONSE]. Beneficial owners of Registrable Securities who do not complete, execute and return this Notice and Questionnaire by such date (i) will not be named as selling securityholders in the Shelf Registration Statement and (ii) may not use the Prospectus forming a part thereof for resales of Registrable Securities.

Certain legal consequences arise from being named as a selling securityholder in the Shelf Registration Statement and related Prospectus. Accordingly, holders and beneficial owners of Registrable Securities are advised to consult their own securities law counsel regarding the consequences of being named or not being named as a selling securityholder in the Shelf Registration Statement and related Prospectus.

The term "Registrable Securities" is defined in the Registration Rights Agreement to mean all or any portion of the Securities issued from time to time under the Indenture in registered form and the shares of Common Stock issuable upon conversion of such Securities; provided, however, that a security ceases to be a Registrable Security when it is no longer a Restricted Security.

The term "Restricted Security" is defined in the Registration Rights Agreement to mean any Security or share of Common Stock issuable upon conversion thereof except any such Security or share of Common Stock that (i) has been effectively registered under the Securities Act and sold in a manner contemplated by the Shelf Registration Statement, or (ii) has been transferred in compliance with Rule 144 under the Securities Act (or any successor provision thereto) or is transferable pursuant to paragraph (k) of such Rule 144 (or any successor provision thereto), or (iii) has otherwise been transferred and a new Security or share of Common Stock not subject to transfer restrictions under the Securities Act has been delivered by or on behalf of the Company in accordance with the Indenture.

ELECTION

The undersigned holder (the "Selling Securityholder") of Registrable Securities hereby elects to include in the Shelf Registration Statement the Registrable Securities beneficially owned by it and listed below in Item (3). The undersigned, by signing and returning this Notice and Questionnaire, agrees to be bound with respect to such Registrable Securities by the terms and conditions of this Notice and Questionnaire and the Registration Rights Agreement, including, without limitation, Section 5 of the Registration Rights Agreement, as if the undersigned Selling Securityholder were an original party thereto.

Upon any sale of Registrable Securities pursuant to the Shelf Registration Statement, the Selling Securityholder will be required to deliver to the Company and the Trustee the Notice of Transfer (completed and signed) set forth in Exhibit 1 to this Notice and Questionnaire.

The Selling Securityholder hereby provides the following information to the Company and represents and warrants that such information is accurate and complete:

QUESTIONNAIRE

(1) (a) Full Legal Name of Selling Securityholder:

(b) Full Legal Name of Registered Holder (if not the same as in (a) above) of Registrable Securities Listed in Item (3) Below:

(c) Full Legal Name of DTC Participant (if applicable and if not the same as (b) above) Through Which Registrable Securities Listed in Item (3) Below are Held:

(2) Address for Notices to Selling Securityholder:

Telephone: _____

Fax: _____

Contact Person: _____

(3) Beneficial Ownership of Securities:

Except as set forth below in this Item (3), the undersigned Selling Securityholder does not beneficially own any Securities or shares of Common Stock issued upon conversion, repurchase or redemption of any Securities.

(a) Principal amount of Registrable Securities (as defined in the Registration Rights Agreement) beneficially owned:

Series A Debentures _____

Series B Debentures _____

CUSIP No(s). of such Registrable Securities:

Series A Debentures _____

Series B Debentures _____

Number of shares of Common Stock (if any) issued upon conversion, repurchase or redemption of Registrable Securities: _____

(b) Principal amount of Securities other than Registrable Securities beneficially owned:

CUSIP No(s). of such other Securities: _____

Number of shares of Common Stock (if any) issued upon conversion of such other Securities: _____

- (c) Principal amount of Registrable Securities which the undersigned wishes to be included in the Shelf Registration Statement:

Series A Debentures _____

Series B Debentures _____

CUSIP No(s) of such Registrable Securities to be included in the Shelf Registration Statement:

Series A Debentures _____

Series B Debentures _____

Number of shares of Common Stock (if any) issued upon conversion of Registrable Securities which are to be included in the Shelf Registration Statement:

- (4) Beneficial Ownership of Other Securities of the Company:

Except as set forth below in this Item (4), the undersigned Selling Securityholder is not the beneficial or registered owner of any shares of Common Stock or any other securities of the Company, other than the Securities and shares of Common Stock listed above in Item (3).

State any exceptions here:

- (5) Relationships with the Company:

Except as set forth below, neither the Selling Securityholder nor any of its affiliates, officers, directors or principal equity holders (5% or more) has held any position or office or has had any other material relationship with the Company (or its predecessors or affiliates) during the past three years.

State any exceptions here:

- (6) Nature of the Selling Securityholder:

- (a) Is the selling Securityholder a reporting company under the Securities Exchange Act, a majority owned subsidiary of a reporting company under the Securities Exchange Act or a registered investment company under the Investment Company Act? If so, please state which one.

If the entity is a majority owned subsidiary of a reporting company, identify the majority stockholder that is a reporting company.

If the entity is not any of the above, identify the natural person or persons having voting and investment control over the Company's securities that the entity owns.

(b) Is the Selling Securityholder a registered broker-dealer? Yes ____ No ____

State whether the Selling Securityholder received the Registrable Securities as compensation for underwriting activities and, if so, provide a brief description of the transaction(s) involved.

State whether the Selling Securityholder is an affiliate of a broker-dealer and if so, list the name(s) of the broker-dealer affiliate(s).

Yes ____ No ____

If the answer is "Yes," you must answer the following:

If the Selling Securityholder is an affiliate of a registered broker-dealer, the Selling Securityholder purchased, the Registrable Securities (i) in the ordinary course of business and (ii) at the time of the purchase of the Registrable Securities, had no agreements or understandings, directly or indirectly, with any person to distribute the Registrable Securities.

Yes ____ No ____

If the answer is "No", state any exceptions here:

If the answer is "No," this may affect your ability to be included in the registration statement.

(7) Plan of Distribution:

Except as set forth below, the undersigned Selling Securityholder intends to distribute the Registrable Securities listed above in Item (3) only as follows (if at all): Such Registrable Securities may be sold from time to time directly by the undersigned Selling Securityholder or, alternatively, through underwriters, broker-dealers or agents. Such Registrable Securities may be sold in one or more transactions at fixed prices, at prevailing market prices at the time of sale, at varying prices determined at the time of sale or at negotiated prices. Such sales may be effected in transactions (which may involve crosses or block transactions) (i) on any national securities exchange or quotation service on which the Registrable Securities may be listed or quoted at the time of sale, (ii) in the over-the-counter market, (iii) in transactions otherwise than on such exchanges or services or in the over-the-counter market or (iv) through the writing of options. In connection with sales of the Registrable Securities or otherwise, the Selling Securityholder may enter into transactions with broker-dealers, which may in turn engage in short sales of the Registrable Securities in the course of hedging the positions they assume. The Selling Securityholder may also sell Registrable Securities short and deliver Registrable Securities to close out such short positions, or loan or pledge Registrable Securities to broker-dealers that in turn may sell such securities.

State any exceptions here:

Note: In no event may such method(s) of distribution take the form of an underwritten offering of the Registrable Securities except pursuant to Section 6 of the Registration Rights Agreement.

By signing below, the Selling Securityholder acknowledges that it understands its obligation to comply, and agrees that it will comply, with the prospectus delivery and other provisions of the Securities Act and the Exchange Act and the rules and regulations thereunder, particularly Regulation M.

In the event that the Selling Securityholder transfers all or any portion of the Registrable Securities listed in Item (3) above after the date on which such information is provided to the Company, the Selling Securityholder agrees to notify the transferee(s) at the time of the transfer of its rights and obligations under this Notice and Questionnaire and the Registration Rights Agreement.

By signing below, the Selling Securityholder consents to the disclosure of the information contained herein in its answers to Items (1) through (6) above and the inclusion of such information in the Shelf Registration Statement and related Prospectus. The Selling Securityholder understands that such information will be relied upon by the Company in connection with the preparation of the Shelf Registration Statement and related Prospectus.

In accordance with the Selling Securityholder's obligation under Section 3(a) of the Registration Rights Agreement to provide such information as may be required by law for inclusion in the Shelf Registration Statement, the Selling Securityholder agrees to promptly notify the Company of any inaccuracies or changes in the information provided herein which

may occur subsequent to the date hereof at any time while the Shelf Registration Statement remains in effect. All notices hereunder and pursuant to the Registration Rights Agreement shall be made in writing, by hand-delivery, first-class mail or air courier guaranteeing overnight delivery as follows:

(i) To the Company:

(ii) With a copy to:

Once this Notice and Questionnaire is executed by the Selling Securityholder and received by the Company, the terms of this Notice and Questionnaire, and the representations and warranties contained herein, shall be binding on, shall inure to the benefit of and shall be enforceable by the respective successors, heirs, personal representatives, and assigns of the Company and the Selling Securityholder (with respect to the Registrable Securities beneficially owned by such Selling Securityholder and listed in Item (3) above). This Agreement shall be governed in all respects by the laws of the State of New York.

IN WITNESS WHEREOF, the undersigned, by authority duly given, has caused this Notice and Questionnaire to be executed and delivered either in person or by its duly authorized agent.

Dated: _____

Selling Securityholder
(Print/type full legal name of beneficial owner of Registrable Securities)

By: _____
Name:
Title:

PLEASE RETURN THE COMPLETED AND EXECUTED NOTICE AND QUESTIONNAIRE FOR RECEIPT ON OR BEFORE [DEADLINE FOR RESPONSE] TO THE COMPANY AT:

NOTICE OF TRANSFER PURSUANT TO REGISTRATION STATEMENT

Schlumberger Limited
153 East 53rd/ Street, 57th/ Floor
New York, New York 10022

Attention: General Counsel

Citibank, N.A.
111 Wall Street
14th/ Floor, Zone 3
New York, New York 10005

Attention: Nancy Forte

Re: Schlumberger Limited (the "Company")
1.500% Convertible Debentures due June 1, 2023 (the "Series A
Debentures") and 2.125% Convertible Debentures due June 1, 2023 (the
"Series B Debentures")

Dear Sirs:

Please be advised that _____ has transferred \$ _____
aggregate principal amount of the Series A Debentures and/or \$ _____
aggregate principal amount of the Series B Debentures, or shares of the
Company's common stock, issued upon conversion of Securities, pursuant to an
effective Registration Statement on Form S-3 (File No. 333-____) filed by the
Company.

We hereby certify that the prospectus delivery requirements, if any, of the
Securities Act of 1933, as amended, have been satisfied with respect to the
transfer described above and that the above-named beneficial owner of the
Securities or common stock is named as a selling securityholder in the
Prospectus dated [date], or in amendments or supplements thereto, and that the
aggregate principal amount of the Securities or number of shares of common stock
transferred are a portion of the Securities or shares of common stock listed in
such Prospectus as amended or supplemented opposite such owner's name.

Dated:

Very truly yours,

(Name)

By: _____
(Authorized Signature)

Computation of Ratio of Earnings to Fixed Charges

(\$ Thousands) CONTINUING OPERATIONS	6 months ended June 30		12 Months ended December 31				
	2003	2002	2002	2001	2000	1999	1998
Income before Tax & Minority Interest	\$414,899	\$485,482	\$ (2,230,286)	\$1,073,067	\$ 936,628	\$ 456,732	\$ 855,657
Fixed Charges:							
Interest Expense	\$185,164	\$178,666	\$ 367,973	\$ 384,896	\$ 276,099	\$ 192,954	\$ 137,211
Operating Lease Rental Expenses	\$229,000	\$229,000	\$ 458,000	\$ 390,000	\$ 287,000	\$ 303,000	\$ 304,000
1/3 of Operating Lease Rental Expenses	\$ 76,333	\$ 76,333	\$ 152,667	\$ 130,000	\$ 95,667	\$ 101,000	\$ 101,333
Fixed Charges	\$261,497	\$254,999	\$ 520,640	\$ 514,896	\$ 371,766	\$ 293,954	\$ 238,544
IBT&MI + Fixed Charges	\$676,396	\$740,481	\$ (1,709,646)	\$1,587,963	\$1,308,394	\$ 750,686	\$1,094,201
RATIO	2.6	2.9	(3.3)	3.1	3.5	2.6	4.6

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in this Registration Statement on Form S-3 of our report dated January 22, 2003, except as to the discontinued operations accounting treatment as discussed in the note "Discontinued Operations in 2003" as to which the date is September 11, 2003, relating to the financial statements, which appears in Schlumberger Limited's Current Report on Form 8-K dated September 11, 2003. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

PricewaterhouseCoopers LLP
New York, New York
September 11, 2003

Power of Attorney

Each of the undersigned, in the capacity or capacities set forth below his or her signature as a member of the Board of Directors and/or an officer of Schlumberger Limited, a Netherlands Antilles corporation (the "Corporation"), hereby constitutes and appoints Jean-Marc Perraud, Frank A. Sorgie, Michel Soublin and Ellen S. Summer, and each of them, the true and lawful attorneys-in-fact and agents of the undersigned, each of whom shall be authorized to act with or without the others, with full power of substitution and resubstitution, for the undersigned and in the undersigned's name, place and stead, in the undersigned's capacity as a director or officer or both, as the case may be, of the Corporation, to sign a Registration Statement on Form S-3 relating to the registration and resale of Corporation's convertible senior debentures due 2023 and the shares of the Corporation's common stock, par value \$0.01 per share, issuable upon conversion thereof and any and all amendments (including post-effective amendments) thereto, and any and all other instruments and documents as may be necessary, advisable or appropriate to enable the Corporation to comply with the Securities Act of 1933, as amended, and all other federal and state securities laws, and to file the same or cause the same to be filed, with all exhibits thereto, with the Securities and Exchange Commission, with full power and authority to each of the attorneys-in-fact and agents to do and perform in the name and on behalf of the undersigned, in the undersigned's capacity as a director or officer, or both, as the case may be, each and every act whatsoever that is necessary, advisable or appropriate to be done, as fully and for all intents and purposes as any such director or officer, or both, as the case may be, might or could do in person.

/s/ John Deutch ----- John Deutch Director	(May 30, 2003)	/s/ Andre Levy-Lang ----- Andre Levy-Lang Director	(June 4, 2003)
/s/ Jamie S. Gorelick ----- Jamie S. Gorelick Director	(June 4, 2003)	/s/ Didier Primat ----- Didier Primat Director	(June 4, 2003)
/s/ Andrew Gould ----- Andrew Gould Director Chairman and Chief Executive Officer	(June 4, 2003)	/s/ Nicolas Seydoux ----- Nicolas Seydoux Director	(June 4, 2003)
/s/ Tony Isaac ----- Tony Isaac Director	(June 4, 2003)	/s/ Linda G. Stuntz ----- Linda G. Stuntz Director	(June 4, 2003)
/s/ Adrian Lajous ----- Adrian Lajous Director	(June 4, 2003)	/s/ Sven Ullring ----- Sven Ullring Director	(June 5, 2003)

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939 OF A
CORPORATION DESIGNATED TO ACT AS TRUSTEE

Check if an application to determine eligibility of a Trustee
pursuant to Section 305 (b) (2) _____

CITIBANK, N.A.

(Exact name of trustee as specified in its charter)

13-5266470
(I.R.S. employer
identification no.)

399 Park Avenue, New York, New York
(Address of principal executive office)

10043
(Zip Code)

SCHLUMBERGER LIMITED

(Exact name of obligor as specified in its charter)

P8

(State or other jurisdiction of
incorporation or organization)

52-0684746
(I.R.S. employer
identification no.)

42 Rue St. Dominique
Paris, France
(Address of principal executive offices)

75007
(Zip Code)

Debt Securities
(Title of the indenture securities)

Item 1. General Information.

Furnish the following information as to the trustee:

- (a) Name and address of each examining or supervising authority to which it is subject.

Name	Address
-----	-----
Comptroller of the Currency	Washington, D.C.
Federal Reserve Bank of New York 33 Liberty Street New York, NY	New York, NY
Federal Deposit Insurance Corporation	Washington, D.C.

- (b) Whether it is authorized to exercise corporate trust powers.

Yes.

Item 2. Affiliations with Obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

Item 16. List of Exhibits.

List below all exhibits filed as a part of this Statement of Eligibility.

Exhibits identified in parentheses below, on file with the Commission, are incorporated herein by reference as exhibits hereto.

Exhibit 1 - Copy of Articles of Association of the Trustee, as now in effect. (Exhibit 1 to T-1 to Registration Statement No. 2-79983)

Exhibit 2 - Copy of certificate of authority of the Trustee to commence business. (Exhibit 2 to T-1 to Registration Statement No. 2-29577).

Exhibit 3 - Copy of authorization of the Trustee to exercise corporate trust powers. (Exhibit 3 to T-1 to Registration Statement No. 2-55519)

Exhibit 4 - Copy of existing By-Laws of the Trustee. (Exhibit 4 to T-1 to Registration Statement No. 33-34988)

Exhibit 5 - Not applicable.

Exhibit 6 - The consent of the Trustee required by Section 321(b) of the Trust Indenture Act of 1939. (Exhibit 6 to T-1 to Registration Statement No. 33-19227.)

Exhibit 7 - Copy of the latest Report of Condition of Citibank, N.A. (as of June 30, 2003 - attached)

Exhibit 8 - Not applicable.

Exhibit 9 - Not applicable.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, the Trustee, Citibank, N.A., a national banking association organized and existing under the laws of the United States of America, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in The City of New York and State of New York, on the 10th day of September, 2003.

CITIBANK, N.A.

By /s/Nancy Forte

Nancy Forte
Assistant Vice President

Charter No. 1461
 Comptroller of the Currency
 Northeastern District
 REPORT OF CONDITION
 CONSOLIDATING
 DOMESTIC AND FOREIGN
 SUBSIDIARIES OF
 Citibank, N.A. of New York in the State of New York, at the close of business on
 June 30, 2003, published in response to call made by Comptroller of the
 Currency, under Title 12, United States Code, Section 161. Charter Number 1461
 Comptroller of the Currency Northeastern District.

Thousands of dollars

ASSETS

Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	\$ 13,650,000
Interest-bearing balances	16,238,000
Held-to-maturity securities	59,000
Available-for-sale securities	85,821,000
Federal funds sold in domestic Offices	6,996,000
Federal funds sold and securities purchased under agreements to resell	8,097,000
Loans and leases held for sale	2,069,000
Loans and lease financing receivables: Loans and Leases, net of unearned income	297,517,000
LESS: Allowance for loan and lease losses	8,168,000

Loans and leases, net of unearned income, allowance, and reserve	289,349,000
Trading assets	48,501,000
Premises and fixed assets (including capitalized leases)	3,882,000
Other real estate owned	112,000
Investments in unconsolidated subsidiaries and associated companies	746,000
Customers' liability to this bank on acceptances outstanding	1,187,000
Intangible assets: Goodwill	5,515,000
Intangible assets: Other intangible assets	4,436,000
Other assets	36,457,000

TOTAL ASSETS	\$ 523,115,000
	=====

LIABILITIES	
Deposits: In domestic offices	\$ 111,957,000
Noninterest- bearing	19,198,000
Interest- bearing	92,759,000
In foreign offices, Edge and Agreement subsidiaries, and IBFs	239,058,000
Noninterest- bearing	18,562,000
Interest- bearing	220,496,000
Federal funds purchased in domestic Offices	14,630,000
Federal funds purchased and securities sold under agreements to repurchase	10,807,000
Demand notes issued to the U.S. Treasury	0
Trading liabilities	25,461,000
Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases): ss	29,562,000
Bank's liability on acceptances executed and outstanding	1,187,000
Subordinated notes and debentures	11,500,000
Other liabilities	37,772,000
TOTAL LIABILITIES	\$ 481,934,000
Minority interest in consolidated Subsidiaries	229,000
EQUITY CAPITAL	
Perpetual preferred stock and related surplus	1,950,000
Common stock	751,000
Surplus	22,672,000
Retained Earnings	16,393,000
Accumulated net gains (losses) on cash flow hedges	- 814,000
Other equity capital components	0
TOTAL EQUITY CAPITAL	\$40,952,000
TOTAL LIABILITIES AND EQUITY CAPITAL	\$ 523,115,000

I, Grace B. Vogel, Vice President and Controller of the above-named bank do hereby declare that this Report of Condition is true and correct to the best of my knowledge and belief. Grace B. Vogel

We, the undersigned directors, attest to the correctness of this Report of Condition. We declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions and is true and correct.

Directors:
Robert B. Willumstad
William R. Rhodes
Alan S. MacDonald

