FORM 10-K405

Annual report pursuant to section 13 and 15(d), Regulation S-K Item 405

Filing Date: **1999-03-26** | Period of Report: **1998-12-31**
SEC Accession No. 0000950124-99-002063

FILER

MASCOTECH INC

CIK:**745448**| IRS No.: **382513957** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **10-K405** | Act: **34** | File No.: **001-12068** | Film No.: **99573637**
SIC: **3714** Motor vehicle parts & accessories

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K
ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 1998 COMMISSION FILE NUMBER 1-12068

MASCOTECH, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

<TABLE>
<S> <C>

DELAWARE	38-2513957
(STATE OF INCORPORATION)	(I.R.S. EMPLOYER IDENTIFICATION NO.)
21001 VAN BORN ROAD, TAYLOR, MICHIGAN	48180
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)	(ZIP CODE)

</TABLE>

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: 313-274-7405

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

<TABLE>
<CAPTION>

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
<S>	<C>
COMMON STOCK, $1.00 PAR VALUE	NEW YORK STOCK EXCHANGE, INC.
4 1/2% CONVERTIBLE SUBORDINATED DEBENTURES DUE 2003	NEW YORK STOCK EXCHANGE, INC.
SERIES A PARTICIPATING CUMULATIVE PREFERRED STOCK PURCHASE RIGHTS	NEW YORK STOCK EXCHANGE, INC.

</TABLE>

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:

NONE

INDICATE BY CHECK MARK WHETHER THE REGISTRANT: (1) HAS FILED ALL REPORTS REQUIRED TO BE FILED BY SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 DURING THE PRECEDING 12 MONTHS, AND (2) HAS BEEN SUBJECT TO SUCH FILING REQUIREMENTS FOR THE PAST 90 DAYS. YES [X] NO [ ]

INDICATE BY CHECK MARK IF DISCLOSURE OF DELINQUENT FILERS PURSUANT TO ITEM 405 OF REGULATION S-K IS NOT CONTAINED HEREIN, AND WILL NOT BE CONTAINED, TO THE BEST OF REGISTRANT'S KNOWLEDGE, IN DEFINITIVE PROXY OR INFORMATION STATEMENTS INCORPORATED BY REFERENCE IN PART III OF THIS FORM 10-K OR ANY AMENDMENT TO THIS FORM 10-K. [X]

THE AGGREGATE MARKET VALUE OF THE REGISTRANT'S COMMON STOCK HELD BY NON-AFFILIATES OF THE REGISTRANT ON MARCH 15, 1999 (BASED ON THE CLOSING SALE PRICE OF $14 13/16 OF THE REGISTRANT'S COMMON STOCK ON THE NEW YORK STOCK EXCHANGE COMPOSITE TAPE ON SUCH DATE) WAS APPROXIMATELY $442,231,000.

NUMBER OF SHARES OUTSTANDING OF THE REGISTRANT'S COMMON STOCK AT MARCH 15, 1999:

44,738,000 SHARES OF COMMON STOCK, PAR VALUE $1.00 PER SHARE

PORTIONS OF THE REGISTRANT'S DEFINITIVE PROXY STATEMENT TO BE FILED FOR ITS 1999 ANNUAL MEETING OF STOCKHOLDERS ARE INCORPORATED BY REFERENCE INTO PART III OF THIS FORM 10-K.

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PART I

ITEM 1. BUSINESS.

MascoTech, Inc. (the "Company") is a diversified industrial manufacturing company utilizing advanced metalworking capabilities to supply metal formed components used in vehicle engine and drivetrain applications, specialty fasteners, towing systems, packaging and sealing products and other industrial products.

BACKGROUND

MascoTech was incorporated under the laws of Delaware in 1984 as a wholly-owned subsidiary of Masco Corporation, which in May, 1984 transferred to MascoTech its industrial businesses. The Company became a separate public company in July, 1984 when Masco Corporation distributed shares of Company Common Stock as a special dividend to its stockholders. In late 1996, the Company purchased from Masco Corporation 17 million shares of Company Common Stock and warrants to acquire 10 million shares of Company Common Stock. Masco Corporation currently owns approximately 17 percent of the Company's outstanding Common Stock. Except as the context otherwise indicates, the terms "MascoTech" and the "Company" refer to MascoTech, Inc. and its consolidated subsidiaries.

In late 1994, after pursuing diversified growth in several markets, the Company adopted a plan to dispose of its architectural products, defense and certain of its transportation-related businesses. The disposition of these businesses was completed in 1996. In addition, in 1996, the Company disposed of its heavy-gauge stamping operations and in early 1997, the Company completed the sale of its engineering and technical services businesses to MSX International, Inc. As part of that transaction, the Company acquired an approximate 45 percent common equity interest in MSX International, Inc. See "Equity Investments -- Other Equity Investments," elsewhere in Item 1 of this Report. In mid-1998, the Company adopted a plan to sell certain of its automotive aftermarket businesses and its vacuum metalizing operations. The disposition of these businesses is expected to occur in 1999, with the cash portion of the proceeds applied to reduce the Company's indebtedness and to provide capital to invest in its remaining businesses. The disposition of these businesses did not meet the criteria for discontinued operations treatment for accounting purposes; accordingly, the sales and results of operations of these businesses are included in the results of continuing operations through the date of disposition. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Disposition of Businesses," included in Item 7 of this Report.

In January 1998, the Company acquired the remaining 63 percent of the

outstanding shares of common stock of TriMas Corporation it did not previously own for approximately $920 million. The Company's decision to acquire TriMas was designed to achieve two primary strategic objectives: to expand its advanced metalworking process capabilities into additional transportation-related and other diversified industrial markets and to create more value for shareholders from affiliate investments. For further discussion of the factors considered in making the acquisition, see "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Recent Developments," included in Item 7 of this Report. On a pro forma basis, including TriMas, the Company would have had sales of approximately $1.6 billion for 1997.

In connection with the TriMas acquisition, the Company entered into a new $1.3 billion credit facility which is collateralized by a pledge of the stock of TriMas. See the Notes to the Company's Consolidated Financial Statements captioned "Long-Term Debt," included in Item 8 of this Report.

OPERATING SEGMENTS

The following table sets forth for the three years ended December 31, the net sales and operating profit for MascoTech's operating segments. Information for 1998 is presented on a pro forma basis, as though TriMas had been acquired at January 1, 1998:

<TABLE>
<CAPTION>

	(IN THOUSANDS) NET SALES(1)		
	1998	1997	1996
<S>	<C>	<C>	<C>
Specialty Metal Formed Products	$ 760,000	$711,000	$ 668,000
Towing Systems	238,000	--	--
Specialty Fasteners	226,000	44,000	43,000
Specialty Packaging and Sealing Products	223,000	--	--
Specialty Industrial Products	110,000	37,000	53,000
Companies Sold or Held for Sale	115,000	130,000	517,000
	$1,672,000	$922,000	$1,281,000

</TABLE>

<TABLE>
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	OPERATING PROFIT(2)(3)(4)		
	1998	1997	1996
<S>	<C>	<C>	<C>
Specialty Metal Formed Products	$ 106,000	$ 88,000	$ 93,000
Towing Systems	34,000	--	--
Specialty Fasteners	38,000	8,000	8,000
Specialty Packaging and Sealing Products	46,000	--	--
Specialty Industrial Products	16,000	7,000	3,000
Companies Sold or Held for Sale	12,000	16,000	19,000
	$ 252,000	$119,000	$ 123,000

</TABLE>

(1) The 1998 net sales amounts include TriMas sales occurring before the acquisition date of January 22, 1998. These sales amounted to approximately $36 million.

(2) Amounts are before General Corporate Expense.

(3) Segment operating profit in 1997 includes approximately $17 million of nonrecurring charges.

(4) The 1998 operating profit amounts include TriMas operating profit occurring before the acquisition date of January 22, 1998. This operating profit amounted to approximately $5 million.

Additional financial information concerning the Company's operations by operating segments as of and for the three years ended December 31, 1998 is set forth in the Note to the Company's Consolidated Financial Statements captioned "Segment Information," included in Item 8 of this Report.

Sophisticated technology plays a significant role in MascoTech's businesses

and in the design, engineering and manufacturing of many of its products. Products are manufactured utilizing a variety of metalworking and other process technologies. Although published industry statistics are not available, the Company believes that it is a leading independent producer of many of the component parts that it produces using cold, warm or hot forming processes. The Company manufactures a broad range of semi-finished components, subassemblies and assembled products for the original equipment and aftermarket segments of the global transportation industry. Approximately 83 percent of the Company's 1998 sales were from operations involving metalworking technologies, including cold, warm or hot metal forming, and machining and fabricating. The Company provides components and products for which reliability, quality and certainty of supply are major factors in customers' selection of suppliers.

The Company manufactures specialty metal formed products for engine and drivetrain applications, including semi-finished transmission shafts, drive gears, engine connecting rods, wheel spindles and front wheel drive components. The Company's metal formed products are manufactured using various process technologies, including cold, warm and hot forming, powder metalworking, value-added machining, tubular

steel fabricating and hydroforming. The Company believes that its metal forming technologies provide cost-competitive, high-performance, quality components required to meet the increasing demands of the automotive and truck markets it serves.

Approximately 44 percent of the Company's 1998 sales were original equipment automotive products and services. Sales to original equipment manufacturers are made through factory sales personnel and independent sales representatives. During 1998, sales to various divisions and subsidiaries of New Venture Gear, Inc. accounted for approximately 11 percent of the Company's net sales.

The Company manufactures towing systems products, including vehicle hitches, jacks, winches, couplers and related accessories for the passenger car, light truck, recreational vehicle, marine, agricultural and industrial markets. Towing systems products are sold to independent installers, distributors, manufacturers and aftermarket retailers by the Company's sales organization and independent sales representatives.

The Company's specialty fasteners products include standard- and custom-designed ferrous, nonferrous and special alloy fasteners for the building construction, farm implement, medium- and heavy-duty truck, appliance, aerospace, electronics and other industries. The Company also provides metal treating services for manufacturers of fasteners and similar products. Specialty fasteners are sold through the Company's own sales personnel and independent sales representatives to both distributors and manufacturers in these industries.

The Company also manufactures specialty packaging and sealing products, including industrial and consumer container closures and dispensing products primarily for the chemical, agricultural, refining, food, petrochemical and health care industries; high-pressure seamless compressed gas cylinders primarily used for shipping, storing and dispensing oxygen, nitrogen, argon and helium and a complete line of low-pressure welded cylinders used to contain and dispense acetylene gas for the welding and cutting industries; and specialty industrial gaskets for refining, petrochemical and other industrial applications. Sales of specialty packaging and sealing products are made by the Company's own sales staff primarily to container manufacturers, industrial gas producers and independent distributors.

The Company's specialty industrial products include flame-retardant facings and jacketings used in conjunction with fiberglass insulation, principally for commercial and industrial construction applications, pressure-sensitive specialty tape products and a variety of specialty precision tools such as center drills, cutters, end mills, reamers, master gears, gages and punches. These products are marketed to manufacturers and distributors by both Company sales personnel and independent sales representatives.

The Company has announced that certain of its automotive aftermarket businesses and its vacuum metalizing operations are for sale. These businesses manufacture fuel and emission systems components, windshield wiper blades, brake parts, brake hardware repair kits and other automotive accessories. Sales are made by factory sales personnel primarily to distributors for the traditional, retail and heavy-duty segments of the automotive aftermarket.

GENERAL INFORMATION CONCERNING OPERATING SEGMENTS

No material portion of MascoTech's business has special working capital requirements. Sales by the Company's Towing Systems segment are generally

stronger during the spring and summer periods; no other operating segment experiences seasonal fluctuation in its business. The Company does not consider backlog orders to be a material factor in its operating segments. Except as noted above under "Operating Segments," no material portion of its business is dependent upon any one customer or subject to renegotiation of profits or termination of contracts at the election of the federal government. Compliance with federal, state and local regulations relating to the discharge of materials into the environment, or otherwise relating to the protection of the environment, is not expected to result in material capital expenditures by the Company or to have a material effect on the Company's earnings or competitive position. See, however, "Legal Proceedings," included as Item 3 of this Report, for a discussion of certain pending proceedings concerning environmental matters. In general, raw materials required by the Company are obtainable from various sources and in the quantities desired.

INTERNATIONAL OPERATIONS

The Company, through its subsidiaries, has businesses located in Australia, Canada, Czech Republic, England, Germany, Italy, Mexico and Spain. Products manufactured by the Company outside of the United States include forged automotive component parts, constant-velocity joints, specialty packaging and sealing products and towing systems products. See the Note to the Company's Consolidated Financial Statements captioned "Segment Information," included in Item 8 of this Report for a discussion of the Company's foreign operations and export sales.

The Company's foreign operations are subject to political, monetary, economic and other risks attendant generally to international businesses. These risks generally vary from country to country.

EQUITY INVESTMENTS

Information regarding the Company's equity investments is also set forth in the Note to the Company's Consolidated Financial Statements captioned "Equity and Other Investments in Affiliates," included in Item 8 of this Report.

Titan International, Inc.

The Company owns approximately 16 percent of the outstanding common stock of Titan International, Inc. ("Titan"). Titan is a manufacturer of wheels, tires and other products for agricultural, construction and other off-highway equipment markets. Titan's sales for the year ended December 31, 1998 were approximately $660 million.

Delco Remy International, Inc.

In December 1997, Delco Remy International, Inc. ("Delco Remy") completed an initial public offering of its common stock reducing the Company's equity ownership interest to approximately 12 percent on a fully diluted basis (the Company currently owns approximately 17 percent of the voting common stock). Delco Remy is a manufacturer of automotive electric motors and other components. Delco Remy's sales for the year ended July 31, 1998 were approximately $820 million.

Other Equity Investments

In addition to its equity investments in the publicly traded affiliates described in the preceding paragraphs, the Company has investments in privately held companies, including MSX International, Inc., a provider of technology-based business services and product development services. MSX International, Inc. was formed in 1997 by an investor group consisting of the Company, Citicorp Venture Capital, Ltd. and the senior management of MSX International to purchase the assets of the Company's engineering and technical services businesses. The Company also has an investment in Saturn Electronics & Engineering, Inc., a manufacturer of electromechanical and electronic automotive components.

PATENTS AND TRADEMARKS

The Company holds a number of patents, patent applications, licenses, trademarks and trade names. The Company considers its patents, patent applications, licenses, trademarks and trade names to be valuable, but does not believe that there is any reasonable likelihood of a loss of such rights which would have a materially adverse effect on the Company's operating segments or on its present business as a whole.

COMPETITION

The major domestic and foreign markets for the Company's products are

highly competitive. Competition is based primarily on price, product engineering and performance, technology, quality and overall customer service, with the relative importance of such factors varying among products. The Company's global competitors include a large number of other well-established independent manufacturers as well as certain customers who have their own internal manufacturing capabilities. Although a number of companies of varying size compete with the Company, no single competitor is in substantial competition with the Company with respect to more than a few of its product lines and services.

EMPLOYEES

The Company employs approximately 9,200 people. Although satisfactory relations have generally prevailed between the Company and its employees, during 1997 and 1998 the Company was impacted by a strike at one of its facilities.

ITEM 2. PROPERTIES.

The following list sets forth the location of the Company's principal manufacturing facilities and identifies the principal operating segment utilizing such facilities.

<TABLE>

<S>	<C>
California	Commerce (4)
Florida	Deerfield Beach (6) and Ocala (6)
Illinois	Wheeling (4) and Wood Dale (4)
Indiana	Auburn (5), Elkhart (2) (2), Frankfort (4), Fort Wayne (1), Goshen (2), and North Vernon (1)
Kentucky	Nicholasville (1)
Louisiana	Baton Rouge (5)
Massachusetts	Plymouth (3)
Michigan	Burton (6), Canton (1) (2), China Township (6), Detroit (1) (4), Farmington Hills (1), Fraser (1), Green Oak Township (1), Hamburg (1), Holland (6), Livonia (4), Royal Oak (1), Troy (1), Warren (1) (3) (3) (3) and Ypsilanti (4)
New Jersey	Edison (3) and Netcong (3)
Ohio	Bucyrus (6), Canal Fulton (1), Lakewood (4), Lima (6), Minerva (1), Newburgh Heights (4) and Port Clinton (1)
Oklahoma	Tulsa (3)
Pennsylvania	Ridgway (1)
Texas	Houston (5) and Longview (5)
Wisconsin	Mosinee (2)
Australia	Hampton Park, Victoria (2) and Wakerley, Queensland (2)
Canada	Fort Erie (5) and Oakville (2), Ontario
Czech Republic	Oslavany (1)
England	Leicester (5) and Wolverhampton (1)
Germany	Neunkirchen (5), Nurnberg (1) and Zell am Harmersbach (1)
Italy	Poggio Rusco (1) and Valmadrera (5)
Mexico	Mexico City (5)
Spain	Almusaffes (1)

</TABLE>

Operating segments in the preceding table are identified as follows: (1) Specialty Metal Formed Products, (2) Towing Systems, (3) Specialty Industrial Products, (4) Specialty Fasteners, (5) Specialty Packaging and Sealing Products, and (6) Companies Sold or Held for Sale. Multiple footnotes to the same municipality denote separate facilities in that location.

The Company's principal manufacturing facilities range in size from approximately 10,000 square feet to 310,000 square feet, substantially all of which are owned by the Company and are not subject to significant encumbrances. The Company's executive offices are located in Taylor, Michigan, and are provided by Masco Corporation to the Company under a corporate services agreement.

The Company's buildings, machinery and equipment have been generally well maintained, are in good operating condition, and are adequate for current production requirements.

ITEM 3. LEGAL PROCEEDINGS.

A civil suit was filed in the United States District Court for the Central District of California in April, 1983 by the United States of America and the State of California against over 30 defendants, including a subsidiary of the Company, for alleged release into the environment of hazardous waste disposed of at the Stringfellow Disposal Site in California. The plaintiffs have requested, among other things, that the defendants clean up the contamination at that site. A consent decree has been entered into by the plaintiffs and the defendants, including the Company, providing that the consenting parties perform partial remediation at the site. Another civil suit was filed in the United States District Court for the Central District of California in December, 1988 by the United States of America and the State of California against more than 180 defendants, including the Company, for alleged release into the environment of hazardous waste disposed of at the Operating Industries, Inc. site in California. This site served for many years as a depository for municipal and industrial waste. The plaintiffs have requested, among other things, that the defendants clean up the contamination at that site. Consent decrees have been entered into by the plaintiffs and a group of the defendants, including the Company, providing that the consenting parties perform certain remedial work at the site and reimburse the plaintiffs for certain past costs incurred by the plaintiffs at the site. Based upon its present knowledge and subject to future legal and factual developments, the Company does not believe that any of this litigation will have a material adverse effect on its consolidated financial position, results of operations or cash flow.

The Company is subject to other claims and litigation in the ordinary course of its business, but does not believe that any such claim or litigation will have a material adverse effect on its consolidated financial position, results of operations or cash flow.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

Not applicable.

SUPPLEMENTARY ITEM. EXECUTIVE OFFICERS OF REGISTRANT (PURSUANT TO INSTRUCTION 3 TO ITEM 401(B) OF REGULATION S-K).

<TABLE>
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NAME	POSITION	AGE	OFFICER SINCE
<S>	<C>	<C>	<C>
Richard A. Manoogian.....	Chairman of the Board	62	1984
Frank M. Hennessey.....	Vice Chairman and Chief Executive Officer	60	1998
Lee M. Gardner.....	President and Chief Operating Officer	52	1992
Timothy Wadhams.....	Executive Vice President, Finance and Administration, and Chief Financial Officer	50	1984
William T. Anderson.....	Vice President and Controller	51	1998
Eugene A. Gargaro, Jr.	Secretary	56	1984
David B. Liner.....	Vice President and General Counsel and Assistant Secretary	43	1997
James Tompkins.....	Treasurer and Assistant Secretary	43	1998

</TABLE>

Executive officers are elected to a term of one year or less and serve at the discretion of the Board of Directors. Each elected executive officer has been employed in a managerial capacity with the Company for over five years, except Messrs. Hennessey, Liner and Campbell. Prior to joining MascoTech in 1998, Mr. Hennessey served Masco Corporation for more than five years in various managerial positions and most recently as Executive Vice President. He will continue to provide consulting services to Masco Corporation as needed under an informal arrangement with Masco. Mr. Liner had served as Associate Corporate Counsel of Masco Corporation for more than five years previous to joining the Company in 1997 as its Vice President and Corporate Counsel. He was elected to his current position in September, 1998. In addition to the executive officers shown in the above table, Brian P. Campbell, age 58, served as President and Co-Chief Operating

Officer of the Company from January, 1998 until his resignation in September, 1998. Before joining the Company in connection with its acquisition of TriMas Corporation, he had served as the President of TriMas for more than five years.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

The Company's Common Stock is traded on the New York Stock Exchange ("NYSE") under the symbol "MSX." The following table sets forth for the periods indicated the high and low sale prices of the Company's Common Stock as reported on the NYSE Composite Tape and Common Stock dividends declared for the periods indicated:

<TABLE>
<CAPTION>

	HIGH	LOW	DIVIDENDS DECLARED
<S>	<C>	<C>	<C>
1997			
First Quarter	$21 1/4	$16	$.05
Second Quarter	$23 1/2	$18 1/2	.05
Third Quarter	$22 1/2	$20	.12(1)
Fourth Quarter	$21 5/16	$16 1/2	.06(1)

			$.28
			====

</TABLE>

<TABLE>
<CAPTION>

	HIGH	LOW	DIVIDENDS DECLARED
<S>	<C>	<C>	<C>
1998			
First Quarter	$23 1/4	$17 11/16	$ --
Second Quarter	$26 7/16	$22 5/16	.06
Third Quarter	$24 1/8	$16 1/4	.07
Fourth Quarter	$18 3/4	$15 1/4	.07

			$.20
			====

</TABLE>

(1) In the third quarter of 1997, the Company declared and paid a $.06 per share dividend and also declared a $.06 per share dividend which was paid in the fourth quarter of 1997. The dividend declared in the fourth quarter of 1997 was paid in the first quarter of 1998.

Future declarations of dividends on the Company's Common Stock are discretionary with the Board of Directors and will depend upon the Company's earnings, capital requirements, financial condition and other factors. In addition, certain of the Company's long-term debt instruments contain provisions that restrict the dividends that the Company may pay on its capital stock. Under the most restrictive of these provisions, approximately $39 million would have been available at December 31, 1998 for the payment of cash dividends and the acquisition of Company capital stock. See the discussion under "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Financial Position and Liquidity," included in Item 7 of this Report and the Note to the Company's Consolidated Financial Statements captioned "Long-Term Debt," included in Item 8 of this Report.

On March 15, 1999, there were 4,088 holders of record of the Company's Common Stock.

ITEM 6. SELECTED FINANCIAL DATA.

The following table sets forth summary consolidated financial information of the Company, for the years and dates indicated:

<TABLE>
<CAPTION>

	(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)				
	1998	1997	1996	1995	1994
<S>	<C>	<C>	<C>	<C>	<C>
Net sales	$1,635,500	$ 922,130	$1,281,220	$1,678,210	$1,702,260
From continuing operations before accounting change and extraordinary items:					
Income (loss)	$ 97,470	$ 115,240	$ 39,920	$ 59,190	$ (234,420)
Earnings (loss) per share	$1.83	$2.12	$.50	$.81	$(4.38)

Dividends declared per common share	$ .20	$ .28	$.18	$.11	$ .11
At December 31:					
Total assets	$2,090,540	$1,144,680	$1,202,840	$1,421,720	$1,511,640
Long-term debt	$1,388,240	$ 592,000	$ 752,400	$ 701,910	$ 868,240

</TABLE>

Results in 1998 include sales and operating results from TriMas Corporation, which was purchased in January 1998 for approximately $920 million.

Results in 1998 include a pre-tax charge related to the disposition of certain businesses aggregating approximately $41 million. In addition, the Company recorded a pre-tax gain of approximately $25 million related to the receipt of additional consideration based on the operating performance of the Company's stamping businesses sold in 1996. Also, the Company recognized a gain (deferred at time of sale pending receipt of cash) of $7 million pre-tax related to the disposition of the Company's Technical Services Group in 1997.

Results in 1997 include pre-tax gains approximating $83 million principally related to the sale by the Company of its common stock holdings of an equity affiliate, gains from the Company's marketable securities portfolio and income resulting from equity transactions by affiliates. These gains were partially offset by costs and expenses of approximately $24 million pre-tax related to plant closure costs, the Company's share of special charges recorded by equity affiliates, write-off of deferred charges, and employee termination and other expenses.

Results for 1996 include an after-tax charge of approximately $26 million related to the sale of MascoTech Stamping Technologies, Inc.

Results for 1995 include net gains of approximately $5 million pre-tax related to the dispositions of businesses held for sale, and a gain of approximately $5 million pre-tax resulting from the issuance of stock through a public offering by an equity affiliate.

Results for 1994 include a pre-tax charge of $400 million, reflecting the estimated loss on the planned disposition of a number of the Company's businesses.

Results for 1994 include pre-tax gains of approximately $18 million related to the sale by the Company of a portion of its common stock holdings of an equity affiliate.

Income (loss) from continuing operations before accounting change and extraordinary income (loss) attributable to common stock was $97.5 million, $109.0 million, $27.0 million, $46.2 million and $(247.4) million after preferred stock dividends in 1998, 1997, 1996, 1995 and 1994, respectively.

Earnings per common share, from continuing operations before accounting change, in 1998, 1997, 1996 and 1995 are presented on a diluted basis. In 1994, basic loss per common share is presented due to the reported loss from continuing operations. Basic earnings per share, from continuing operations before accounting change, were $2.23, $2.70, $.54 and $.85 in 1998, 1997, 1996 and 1995, respectively.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

CORPORATE DEVELOPMENT

RECENT DEVELOPMENTS

In January 1998, the Company completed the acquisition of TriMas Corporation ("TriMas") by purchasing all the outstanding shares of TriMas not already owned by the Company for approximately $920 million. The Company previously owned 37 percent of TriMas. The combined companies would have had sales on a pro forma basis of approximately $1.6 billion for 1997.

For some time, MascoTech's key strategic objectives have included the expansion of its advanced metalworking capabilities into additional transportation-related and other markets, and the creation of more value for its shareholders from its affiliate investments. The acquisition of TriMas is consistent with these objectives. MascoTech's advanced metal formed products are sold to transportation-related markets, primarily for automotive light vehicle applications. A substantial portion of TriMas' diversified industrial products are manufactured with metalworking technologies that are complementary to MascoTech's advanced metalworking capabilities. MascoTech also believes that the acquisition of TriMas provides opportunities to expand sales of certain of its products to TriMas' customers and to expand sales of certain of TriMas' products

to MascoTech's customers. The acquisition also permits MascoTech and TriMas to share research, technology and expertise to the benefit of both companies. In addition to the expansion of its metalworking capabilities into complementary markets, and the avoidance of a substantial tax that would result from the sale or distribution of TriMas holdings, the acquisition of TriMas adds high-margin complementary businesses that provide substantial additional cash flow and human resources. MascoTech believes that the acquisition should enhance its opportunity to create value for its shareholders by diversifying its business mix, by improving its cost efficiencies, and by expanding its growth opportunities.

In addition to the TriMas acquisition, the Company in 1998 also acquired three companies and a product line with combined annual sales of approximately $60 million. These businesses complement the Company's specialty fasteners and specialty packaging and sealing products businesses.

SHARE REPURCHASE

The Company's major shareholder, Masco Corporation, had a long-standing stated objective to simplify its corporate structure by reducing its affiliate investments. More recently, Masco Corporation had committed to its shareholders that Masco Corporation would reduce its investment in MascoTech to below 20 percent. Given the possible alternatives available to Masco Corporation to accomplish this objective and the related uncertainty as to what action Masco Corporation might take, together with the positive long-term outlook for MascoTech, the MascoTech Board of Directors decided to address this issue by proactively pursuing the purchase of Masco Corporation's holdings in MascoTech. The MascoTech Board of Directors believed that purchasing and retiring a substantial number of MascoTech shares (at a reasonable price) would help create long-term value for the Company's shareholders.

As a result, in late 1996, the Company purchased from Masco Corporation 17 million shares of MascoTech common stock and warrants to acquire 10 million shares of MascoTech common stock, for approximately $266 million. As part of this transaction, and given his role as Chairman of both Masco Corporation and MascoTech, Richard Manoogian also agreed to sell to MascoTech one million shares of MascoTech common stock at the then current market price of $13 5/8. As a result, his seven percent ownership in MascoTech common stock remained approximately the same after the share purchases. In addition, as part of this transaction, Masco Corporation also agreed that MascoTech will have the right of first refusal to purchase the approximate 7.8 million shares of MascoTech common stock that Masco Corporation continues to hold, should Masco Corporation decide to dispose of such shares. At December 31, 1998, Masco Corporation owned approximately 17 percent of the MascoTech common stock outstanding.

DISPOSITION OF BUSINESSES

In May 1996, the Company sold MascoTech Stamping Technologies, Inc. ("MSTI"), a wholly owned subsidiary, to Tower Automotive, Inc. ("Tower") resulting in an after-tax loss of approximately $26 million. The Company received initial consideration of approximately $80 million, consisting principally of $55 million in cash, 785,000 shares of Tower common stock and warrants to purchase additional Tower common stock. In addition, the Company received contingent consideration of $30 million based on the subsequent operating performance of the businesses sold.

In early 1997, the Company completed the sale of its Technical Services Group (comprised of the Company's engineering and technical business services units) to MSX International, Inc. ("MSXI"). Also included in this transaction were the net assets of APX International ("APX") which were acquired by the Company in November 1996. The sale resulted in total proceeds to the Company of approximately $145 million, consisting of cash, subordinated debentures, preferred stock and an approximate 45 percent common equity interest in MSXI. Net proceeds to the Company approximated $90 million, after taking into account the purchase price for APX and taxes payable in connection with this transaction. In January 1998, the Company received $48 million of cash from MSXI in payment of certain amounts due MascoTech, resulting in a realized pre-tax gain in the first quarter 1998 of approximately $7 million (gain recognition was deferred at the time of the transaction pending cash receipt).

In mid-1998, the Company adopted a plan to sell certain of its aftermarket businesses and its vacuum metalizing operations and recorded a pre-tax loss of approximately $41 million. The disposition of these businesses is expected to occur in 1999 with the cash portion of the proceeds applied to reduce the Company's indebtedness and to provide capital to invest in its remaining businesses.

Businesses to be sold or sold had net sales of $115 million, $130 million and $517 million in 1998, 1997 and 1996, respectively, and operating profit of

$12 million, $16 million and $19 million in 1998, 1997 and 1996, respectively.

PROFIT MARGINS

Operating profit margins, excluding net gains in 1997 and net charges in 1998 and 1996 from the disposition of businesses, were approximately 14 percent in 1998, ten percent in 1997 and eight percent in 1996. The increase in the operating profit margin in 1998 compared with the previous two years is attributable to the disposition of businesses which had margins lower than the Company's remaining operations, and the acquisition of higher margin businesses.

CASH FLOWS AND CAPITAL EXPENDITURES

Net cash flows from operating activities increased to approximately $200 million in 1998 from $79 million in 1997. The increase in cash from operations is principally attributable to the businesses acquired in the TriMas acquisition and the liquidation of the Company's marketable securities portfolio. In addition, the Company received approximately $80 million from the liquidation of debentures and notes receivable related to Emco Limited and MSXI.

Reflecting the favorable long-term prospects for MascoTech, the Company's Board of Directors authorized in 1994 the repurchase of ten million shares of Company Common Stock and Convertible Preferred Stock (converted into common stock in 1997). This repurchase authorization was completed in 1998 and the Board of Directors in late 1998 authorized an additional repurchase of five million shares of Company Common Stock. During 1998, the Company repurchased 3.6 million shares for approximately $64 million, including .4 million shares pursuant to the 1998 Board authorization. In addition, in October 1996, the Company purchased and retired 18 million shares of Company Common Stock and warrants to purchase ten million shares of Company Common Stock for cash and notes approximating $280 million (see "Corporate Development" above and "Shareholders' Equity" note to the financial statements).

The Company in 1998 increased the quarterly dividend on its common stock to $.07 per share from $.06.

Capital expenditures in 1998 were approximately $106 million as compared with $55 million and $44 million in 1997 and 1996, respectively. The increase in capital expenditures from 1997 is principally related to the businesses acquired in 1998. These expenditures for new advanced manufacturing technologies, product line extensions and capacity for new products were the result of the Company's favorable long-term outlook for its businesses.

INVENTORIES

The Company's investment in inventories for its businesses increased to approximately $198 million at December 31, 1998 as compared with $74 million in 1997. The increase is principally the result of acquisitions and higher inventory levels within the Specialty Metal Formed Products segment.

FINANCIAL POSITION AND LIQUIDITY

In connection with the TriMas acquisition in January 1998, the Company entered into a new $1.3 billion credit facility. The Company's credit facility includes a $500 million term loan and an $800 million revolver, both of which terminate in 2003. The interest rates applicable to the new credit facility are principally at alternative floating rates which would have approximated 6.3 percent at December 31, 1998. Interest rate swap agreements covering a notional amount of $400 million of the Company's floating rate debt were entered into in 1998 at an aggregate interest rate of approximately seven percent, including the current borrowing spread under the Company's revolving credit agreement. The new credit facility requires the maintenance of a specified level of shareholders' equity plus subordinated debt, with limitations on the ratios of total debt to cash flow (as defined) and cash flow less capital expenditures (as defined) to interest plus scheduled debt payments. In addition, there are limitations on dividends, share repurchases and subordinated debt repurchases. Under the most restrictive of these provisions, approximately $39 million would have been available at December 31, 1998 for the payment of cash dividends and the acquisition of Company capital stock. In addition, future cash dividends and any acquisition of Company Common Stock could be further accomplished with internal cash flows from operations.

Although the Company incurred increased debt with the purchase of TriMas, the Company's interest coverage ratio and debt to cash flow ratio remain strong. The Company expects that its ratio of debt to total debt plus equity will improve from the operating performance of its businesses and from the disposition of certain financial assets. The Company's financial assets include equity ownership positions in two publicly traded companies with an aggregate carrying value of approximately $58 million.

On September 30, 1997, the Company exercised its option and exchanged its equity holdings in Emco Limited and approximately $46 million in cash to Masco Corporation to satisfy the indebtedness to Masco incurred in 1996 in connection with the Company's purchase and retirement of certain of its common shares and warrants held by Masco.

At December 31, 1998, current assets, which aggregated approximately $501 million, were approximately two times current liabilities. Additional borrowings available under the Company's new revolving credit agreement and otherwise, anticipated internal cash flows, and to the extent necessary, future financings in the financial markets are expected to provide sufficient liquidity to fund the Company's foreseeable working capital, capital expansion programs and other investment needs.

GENERAL FINANCIAL ANALYSIS

1998 VERSUS 1997

Sales increased to $1.6 billion in 1998 from $922 million in 1997 principally as a result of acquisitions. Excluding acquisitions, sales would have increased approximately three percent over 1997.

Net income in 1998 was $97.5 million or $1.83 per common share. Results in 1998 include a charge related to the disposition of certain businesses aggregating approximately $41 million pre-tax. In addition, the Company recorded a pre-tax gain of approximately $25 million related to the receipt of additional consideration based on the operating performance of the Company's stamping businesses which were sold in

1996. Results in 1998 also benefitted from a gain (deferred at time of sale pending receipt of cash) of $7 million pre-tax related to the disposition of the Company's Technical Services Group in 1997 and gains from the Company's marketable securities portfolio. Excluding these gains and the charge, net income in 1998 would have been approximately $89 million or $1.68 per common share.

Income after preferred stock dividends in 1997 was $109 million or $2.12 per common share. Results in 1997 include pre-tax gains approximating $83 million principally related to the disposition of the Company's equity ownership interest in Emco Limited, gains from the Company's marketable securities portfolio and income resulting from equity transactions by affiliates. These gains were partially offset by costs and expenses of approximately $24 million pre-tax related to plant closure costs, the Company's share of special charges recorded by equity affiliates, write-off of deferred charges, and employee termination and other expenses. Excluding these gains and unusual costs, income after preferred stock dividends in 1997 would have been approximately $73 million or $1.50 per common share.

The following information is presented on a pro forma basis as though TriMas was acquired on January 1, 1997.

Sales increased approximately five percent to $1.7 billion in 1998 from $1.6 billion in 1997. Excluding acquisitions other than TriMas, sales would have increased approximately four percent in 1998 as compared to 1997.

Sales of Specialty Metal Formed Products increased approximately six percent in 1998 as compared to 1997. Towing Systems sales, driven by demand for new products, increased by 13 percent over 1997 levels. Sales of Specialty Packaging and Sealing Products and Specialty Fasteners, aided by acquisitions, increased modestly in 1998. Sales of Specialty Industrial Products approximated 1997 levels. Sales for certain of the Company's aftermarket-related businesses that are being held for sale declined by 13 percent.

Although 1998 results benefitted from increased sales, operating margins for the Company's Specialty Metal Formed Products in 1998 were slightly below 1997 levels (excluding 1997 nonrecurring charges). Operating results for both 1998 and 1997 were hampered by work stoppages at major customers and at one of the Company's manufacturing facilities. In addition, operating results for both 1998 and 1997 were adversely impacted by start-up costs associated with the Company's hydroforming manufacturing process. Specialty Metal Formed Products' operating margins were also negatively impacted by launch costs related to a new facility in Spain to manufacture powder metal connecting rods.

Operating margins in 1998 for the Company's Specialty Fasteners, Towing Systems, Specialty Packaging and Sealing business and Specialty Industrial Products approximated or slightly exceeded 1997 levels, while

operating margins for aftermarket-related products decreased in 1998 from 1997 principally as a result of decreased sales volumes.

Operating margins on a pro forma basis including increased amortization expense and before general corporate expense and gain (charge) on dispositions approximated 15 percent for the years 1998 and 1997.

The Company's lower effective tax rate for 1998 is the result of the recognition of a non-taxable gain from the sale of MSTI and tax benefits from additional tax losses in excess of book losses related to the disposition of certain businesses. On a pro forma basis, excluding both the gain and charge, the effective tax rate would be comparable to 1997. The Company, through acquisitions and growth, has increased its foreign presence, principally in Europe. In the future, if the Company's foreign operations contribute an increased percentage of pre-tax income, the Company's effective tax rate could increase as a result of higher foreign tax rates versus the U.S. domestic tax rate.

1997 VERSUS 1996

Sales of the Company's metalworking and aftermarket businesses increased six percent to approximately $922 million from $869 million in 1996. Total sales for 1997, however, declined to approximately $922 million from $1.3 billion in 1996, reflecting the previously announced disposition of certain businesses.

Income after preferred stock dividends in 1997 was $109 million or $2.12 per common share. Results in 1997 include pre-tax gains approximating $83 million principally related to the disposition of the Company's equity ownership interest in Emco Limited, gains from the Company's marketable securities portfolio and income resulting from equity transactions by affiliates. These gains were partially offset by costs and expenses of approximately $24 million pre-tax related to plant closure costs, the Company's share of special charges recorded by equity affiliates, write-off of deferred charges, and employee termination and other expenses. Excluding the gains and unusual costs, income after preferred stock dividends in 1997 would have been approximately $73 million or $1.50 per common share.

Income after preferred stock dividends in 1996 was $38.7 million or $.72 per common share. Results in 1996 include an after-tax loss of approximately $26 million related to the sale of the Company's heavy-gauge stamping operations (MSTI), which more than offset after-tax income of approximately $11.7 million related to the cumulative effect of an accounting change. Excluding the above items, income in 1996 after preferred stock dividends would have been approximately $53 million or $.98 per common share.

Operating profit in 1997 for the Company's metalworking and aftermarket businesses, before general corporate expense, decreased to approximately $119 million from $136 million in 1996. Although 1997 results benefitted from increased sales in the Company's transportation-related businesses, operating performance was negatively impacted by work stoppages at certain North American vehicle manufacturers, costs and expenses as a result of a strike at one of the Company's manufacturing facilities and higher than anticipated product start-up costs. Businesses sold had operating losses before general corporate expense and gains (charge) on disposition of businesses, net of approximately $13 million for 1996.

Other income (expense), net in 1997, was income of approximately $89 million as compared with income of approximately $8 million in 1996. Results for 1997 benefitted from a gain on the disposition of an equity affiliate, gains from the Company's marketable securities portfolio, higher equity and interest income from affiliates and income resulting from equity transactions by affiliates. This income was partially offset by higher interest expense in 1997.

OTHER MATTERS

YEAR 2000

The Year 2000 issue is the result of computer programs having been written using two digits, rather than four, to define the applicable year. Any of the Company's computers, computer programs, and manufacturing and administration equipment that have date-sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000. If any of the Company's systems or equipment that have date-sensitive software use only two digits, system failures or miscalculations may result, causing disruptions of operations, including, among other things, a temporary inability to process transactions or send and receive electronic data with third parties or engage in similar business activities.

As a key supplier to the automotive industry, the Company's major exposure

for Year 2000 problems is the effect of shutting down production at one of its automotive customer's manufacturing facilities. While lost revenues from such an event are a concern for the Company, the greater risks are the consequential damages for which the Company could be liable if it in fact is found responsible for the shutdown of one of its customer's manufacturing facilities. Such a finding could have a materially adverse impact on the Company's results of operations.

The most likely way in which the Company would shut down production at an automotive customer's facility is by being unable to supply parts to that customer. The parts supplied by the Company, in most instances, are integral components of the end products produced by customers, and the inability to provide

parts may render the customer unable to manufacture and sell its products. Disruptions in the Company's computer systems and applications could prevent the Company from being able to manufacture and ship its parts. Examples are failures in the Company's manufacturing application software, computer chips embedded in manufacturing equipment and lack of supply of materials from its suppliers. The Company's parts do not contain computer devices that require remediation to meet Year 2000 requirements. A review of the Company's status with respect to remediating its computer systems for Year 2000 compliance is presented below.

The Company has in place an internal review team that has been and is continuing to address the Year 2000 issues that encompass operating and administrative areas of the Company. In addition, the Company has engaged professional consultants to assist Company personnel to identify significant Year 2000 issues in a timely manner. Also, executive management and the Board of Directors regularly monitor the status of the Company's Year 2000 remediation plans. The process includes an assessment of issues and development of remediation plans, where necessary, as they relate to internally used software, computer hardware and the use of computer applications in the Company's manufacturing processes.

For its information technology, the Company currently utilizes a mid-range, non-mainframe based computing environment which is complemented by a series of local-area networks ("LANs") that are connected via a wide-area network ("WAN"). Substantially all operating systems related to the mid-range systems, LANs and WAN have been updated to comply with Year 2000 requirements. In addition, upgraded and modified versions of the Company's financial, manufacturing, human resource and other packaged software applications which are Year 2000-ready are in the process of being integrated into the Company's overall system. The Company presently expects that this integration will be substantially completed in the next few months.

The Company utilizes non-mainframe computers and software in its various production processes throughout the world. In several locations, it has retained outside consultants to assist it in identifying potential Year 2000 issues in those processes, and evaluating the readiness of the computer systems used in those processes. General findings to date have identified minimal changes that need to be made to these systems. Problems generally relate to old personal computers or memory chips, which are being replaced.

Although there can be no assurance that the Company will identify and correct every Year 2000 issue found in the computer applications used in its production processes, the Company believes that it has in place a comprehensive program to identify and correct any such issues, and expects to have the remediation of its production systems substantially completed in early 1999. At the present time, the Company does not believe that it requires a contingency plan with respect to its information technology and production processes, and has therefore not developed one.

The Company is also reviewing its building and utility systems (heat, light, phones, etc.) for Year 2000 impact. Many of these systems are Year 2000-ready. While the Company is working diligently with all of its utility suppliers and has no reason to expect that they will not meet their required Year 2000 compliance targets, there can be no assurance that these suppliers will in fact meet the Company's requirements. The failure of any such supplier to fully remediate its systems for Year 2000 compliance could cause a disruption of one or more of the Company's plants, which could impact the Company's ability to meet its obligations to supply products to its customers.

The Company has also commenced a program to determine the Year 2000 compliance efforts of its equipment and material suppliers. The Company has sent comprehensive questionnaires to all of its significant suppliers regarding their Year 2000 compliance and is attempting to identify any problem areas with respect to them. The Company has been working with its key suppliers, including its steel suppliers, to ensure that it will receive key components without disruption. This program will be ongoing and the Company's efforts with respect

to specific issues identified will depend in part upon its assessment of the risk that any such issues may have a materially adverse impact on its operations.

Unfortunately, the Company cannot control the conduct of its suppliers, and therefore cannot guarantee that Year 2000 problems originating with a supplier will not occur. The Company has not yet developed

contingency plans in the event of a Year 2000 failure caused by a supplier or third party, but would intend to do so if a specific problem is identified through the programs described above. In some cases, especially with respect to its utility vendors, alternative suppliers may not be available.

As a key supplier in the auto industry, the Company takes an active role in many industry-sponsored organizations, including the Automotive Industry Action Group ("AIAG"). The AIAG has been proactive in working with OEMs and suppliers to ensure that the industry as a whole addresses the Year 2000 problem. Tools to assist in achieving compliance include standardized questionnaires, regular meetings of members and follow-up by AIAG personnel regarding answers to questionnaires, etc. The Company continues to work with such industry groups to ensure compliance.

The information presented above sets forth the key steps the Company is taking to address the Year 2000 issue. The cost of Year 2000 compliance for the Company, expected to approximate $11 - $15 million, including: replacement costs of $6 - $8 million which are normal and recurring; upgrades of $2 - $3 million which are normal and recurring; repair/programming costs of $2 - $3 million; and other costs of $1 million, are not material to the Company's consolidated results of operations, financial position or cash flow. The majority of the replacement and upgrade costs would have been incurred by the Company over time as part of its regular information system replacement process.

FORWARD-LOOKING STATEMENTS

This discussion and other sections of this annual report contain statements reflecting the Company's views about its future performance and constitute "forward-looking statements." These views involve risks and uncertainties that are difficult to predict and may cause the Company's actual results to differ significantly from the results discussed in such forward-looking statements. Readers should consider that various factors may affect the Company's ability to attain the projected performance, including: conditions within the markets in which the Company competes, the cyclical nature of the automobile industry in general, changes in the costs of raw materials, labor relations of the Company and certain of its customers, the ability to supply new and existing products on a timely, cost-effective basis, financial results of the Company's equity investments and general economic conditions. The Company undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors
of MascoTech, Inc.:

In our opinion, the consolidated financial statements listed in the index appearing under Item 14(a)(1) present fairly, in all material respects, the financial position of MascoTech, Inc. and its subsidiaries at December 31, 1998 and 1997, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1998, in conformity with generally accepted accounting principles. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 14(a)(2)(i) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedule are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We

believe that our audits provide a reasonable basis for the opinion expressed above.

As discussed in the footnotes to the consolidated financial statements, effective January 1, 1996, the Company changed its method of accounting for the impairment of long-lived assets and for long-lived assets to be disposed of.

PRICEWATERHOUSECOOPERS, LLP

Detroit, Michigan
February 19, 1999

MASCOTECH, INC.

CONSOLIDATED BALANCE SHEET

DECEMBER 31, 1998 AND 1997

ASSETS

<TABLE>
<CAPTION>

	1998	1997
<S>	<C>	<C>
Current assets:		
Cash and cash investments	$ 29,390,000	$ 41,110,000
Marketable securities	--	45,970,000
Receivables	223,340,000	125,930,000
Inventories	198,350,000	73,860,000
Deferred and refundable income taxes	26,590,000	36,270,000
Prepaid expenses and other assets	23,710,000	13,310,000
Total current assets	501,380,000	336,450,000
Equity and other investments in affiliates	93,560,000	263,300,000
Property and equipment, net	678,130,000	417,030,000
Excess of cost over net assets of acquired companies	764,220,000	65,610,000
Notes receivable and other assets	53,250,000	62,290,000
Total assets	$2,090,540,000	$1,144,680,000
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 114,830,000	$ 70,120,000
Accrued liabilities	135,230,000	114,650,000
Total current liabilities	250,060,000	184,770,000
Convertible subordinated debentures	310,000,000	310,000,000
Other long-term debt	1,078,240,000	282,000,000
Deferred income taxes	88,140,000	114,650,000
Other long-term liabilities	110,220,000	42,600,000
Total liabilities	1,836,660,000	934,020,000
Shareholders' equity:		
Preferred stock, $1 par:		
Authorized: 25 million; Outstanding: None	--	--
Common stock, $1 par:		
Authorized: 250 million; Outstanding: 45.8 million and 47.3 million	45,780,000	47,250,000
Paid-in capital	16,820,000	41,060,000
Retained earnings	245,860,000	157,790,000
Accumulated other comprehensive loss	(7,460,000)	(2,560,000)
Less: Restricted stock awards	(47,120,000)	(32,880,000)
Total shareholders' equity	253,880,000	210,660,000
Total liabilities and shareholders' equity	$2,090,540,000	$1,144,680,000

</TABLE>

The accompanying notes are an integral part of the consolidated financial statements.

MASCOTECH, INC.

CONSOLIDATED STATEMENT OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 1998, 1997 AND 1996

<TABLE>
<CAPTION>

	1998	1997	1996
<S>	<C>	<C>	<C>
Net sales	$ 1,635,500,000	$ 922,130,000	$ 1,281,220,000
Cost of sales	(1,208,930,000)	(735,470,000)	(1,048,110,000)
Gross profit	426,570,000	186,660,000	233,110,000
Selling, general and administrative expenses	(204,180,000)	(89,930,000)	(132,260,000)
Gains (charge) on disposition of businesses, net	(15,580,000)	4,980,000	(31,520,000)
Operating profit	206,810,000	101,710,000	69,330,000
Other income (expense), net:			
Interest expense, Masco Corporation	--	(7,500,000)	--
Other interest expense	(81,500,000)	(29,030,000)	(29,970,000)
Equity and other income from affiliates	10,150,000	43,360,000	40,460,000
Gain from disposition of an equity affiliate	--	46,160,000	--
Gains from changes in investments in equity affiliates	--	18,190,000	--
Deferred gain recognized from disposition of business	7,000,000	--	--
Other, net	2,060,000	17,400,000	(2,600,000)
	(62,290,000)	88,580,000	7,890,000
Income before income taxes and cumulative effect of accounting change, net	144,520,000	190,290,000	77,220,000
Income taxes	47,050,000	75,050,000	37,300,000
Income before cumulative effect of accounting change, net	97,470,000	115,240,000	39,920,000
Cumulative effect of accounting change (net of income taxes)	--	--	11,700,000
Net income	$ 97,470,000	$ 115,240,000	$ 51,620,000
Preferred stock dividends	--	$ 6,240,000	$ 12,960,000
Earnings attributable to common stock	$ 97,470,000	$ 109,000,000	$ 38,660,000

</TABLE>

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	BASIC	DILUTED	BASIC	DILUTED	BASIC	DILUTED
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Earnings per common share:						
Income before cumulative effect of accounting change, net	$2.23	$1.83	$2.70	$2.12	$ .54	$ .50
Cumulative effect of accounting change, net	--	--	--	--	.23	.22
Earnings attributable to common stock	$2.23	$1.83	$2.70	$2.12	$ .77	$ .72

</TABLE>

The accompanying notes are an integral part of the consolidated financial statements.

MASCOTECH, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 1998, 1997 AND 1996

<TABLE>
<CAPTION>

	1998	1997	1996

<S>	<C>	<C>	<C>
CASH FROM (USED FOR):			
OPERATING ACTIVITIES:			
Net income	$ 97,470,000	$115,240,000	$ 51,620,000
Adjustments to reconcile net income to net cash provided by operating activities:			
(Gains) charge on disposition of businesses, net	15,580,000	(4,980,000)	31,520,000
Gains from disposition or other changes in investments in equity affiliates	(7,000,000)	(64,350,000)	--
Depreciation and amortization	83,640,000	43,460,000	44,470,000
Equity earnings, net of dividends	(6,080,000)	(27,180,000)	(31,650,000)
Deferred income taxes	(110,000)	17,520,000	8,640,000
Decrease (increase) in marketable securities, net	45,970,000	(8,210,000)	(24,890,000)
(Increase) decrease in receivables	(6,700,000)	2,670,000	10,200,000
(Increase) decrease in inventories	(19,640,000)	1,950,000	19,190,000
Decrease (increase) in prepaid expenses and other current assets	1,240,000	(1,280,000)	38,650,000
(Decrease) increase in accounts payable and accrued liabilities	(6,060,000)	11,140,000	9,320,000
Other, net	2,290,000	(7,480,000)	(28,060,000)
Net cash from operating activities	200,600,000	78,500,000	129,010,000
FINANCING ACTIVITIES:			
Increase in debt	1,162,670,000	7,080,000	5,220,000
Payment of debt	(410,660,000)	(16,590,000)	(114,900,000)
Payment of note due to Masco Corporation	--	(45,580,000)	--
Retirement of preferred stock	--	(8,360,000)	--
Retirement of Company Common Stock	(63,550,000)	(6,610,000)	(14,040,000)
Repurchase of Company Common Stock and warrants from Masco Corporation for cash	--	--	(116,000,000)
Payment of dividends	(12,240,000)	(15,900,000)	(22,940,000)
Other, net	(13,480,000)	(9,070,000)	(8,610,000)
Net cash from (used for) financing activities	662,740,000	(95,030,000)	(271,270,000)
INVESTING ACTIVITIES:			
Cash received from sale of businesses	25,020,000	76,560,000	223,720,000
Acquisition of businesses, net of cash acquired	(879,370,000)	(11,100,000)	(47,200,000)
Capital expenditures	(106,300,000)	(54,780,000)	(42,390,000)
Receipt of cash from notes receivable	4,880,000	17,330,000	9,300,000
Proceeds from redemptions of debt by affiliates	80,500,000	--	--
Other, net	210,000	10,230,000	1,850,000
Net cash from (used for) investing activities	(875,060,000)	38,240,000	145,280,000
CASH AND CASH INVESTMENTS:			
Increase (decrease) for the year	(11,720,000)	21,710,000	3,020,000
At January 1	41,110,000	19,400,000	16,380,000
At December 31	$ 29,390,000	$ 41,110,000	$ 19,400,000

</TABLE>

The accompanying notes are an integral part of the consolidated financial statements.

MASCOTECH, INC.
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 1998, 1997 AND 1996

<TABLE>
<CAPTION>

(IN THOUSANDS)

					OTHER COMPREHENSIVE INCOME			
	PREFERRED STOCK	COMMON STOCK	PAID-IN CAPITAL	RETAINED EARNINGS	FOREIGN CURRENCY TRANSLATION AND OTHER	MINIMUM PENSION LIABILITY	RESTRICTED STOCK AWARDS	TOTAL SHAREHOLDERS' EQUITY

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balances, January 1, 1996....	$ 10,800	$ 55,520	$ 307,910	$ 32,380	$ 8,570	$ --	$(17,050)	$ 398,130
Comprehensive income:								
Net income.....				51,620				51,620
Foreign currency translation.....					(5,080)			(5,080)
Unrealized gain/(loss) on securities (net of tax, $3,040).....					4,560			4,560
Total comprehensive income.....								51,100
Preferred stock dividends.....				(12,960)				(12,960)
Common stock dividends.....				(9,980)				(9,980)
Retirement of common stock and warrants.....		(18,720)	(263,600)					(282,320)
Exercise of stock options.....		450	3,490					3,940
Restricted stock awards, net of amortization.....							(9,090)	(9,090)
Balances, December 31, 1996.....	10,800	37,250	47,800	61,060	8,050	--	(26,140)	138,820
Comprehensive income:								
Net income.....				115,240				115,240
Foreign currency translation.....					(9,220)			(9,220)
Unrealized gain/(loss) on securities (net of tax benefit, $(920)).....					(1,390)			(1,390)
Total comprehensive income.....								104,630
Preferred stock dividends.....		150	2,850	(6,240)				(3,240)
Common stock dividends.....				(12,270)				(12,270)
Retirement of common stock.....		(330)	(6,280)					(6,610)
Retirement of preferred stock.....	(450)		(7,910)					(8,360)
Conversion of outstanding preferred stock.....	(10,350)	9,750	600					--
Exercise of stock options.....		430	4,000					4,430
Restricted stock awards, net of amortization.....							(6,740)	(6,740)
Balances, December 31, 1997.....	--	47,250	41,060	157,790	(2,560)	--	(32,880)	210,660
Comprehensive income:								
Net income.....				97,470				97,470
Foreign currency translation.....					6,410			6,410
Minimum pension liability (net of tax benefit, $(6,700)).....						(10,700)		(10,700)
Unrealized gain/(loss) on securities (net of tax benefit, $(420)).....					(610)			(610)
Total comprehensive income.....								92,570
Common stock dividends.....				(9,400)				(9,400)
Retirement of common stock.....		(3,640)	(60,170)					(63,810)
Exercise of stock options.....		1,160	14,750					15,910
Restricted stock awards, net of amortization.....							(14,240)	(14,240)
Common stock issued for acquisition of business..		1,010	21,180					22,190
Balances, December 31, 1998.....	--	$ 45,780	$ 16,820	$245,860	$ 3,240	$(10,700)	$(47,120)	$ 253,880

</TABLE>

The accompanying notes are an integral part of the consolidated financial statements.

MASCOTECH, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

ACCOUNTING POLICIES:

Principles of Consolidation. The consolidated financial statements include the accounts of the Company and all majority-owned subsidiaries. All significant intercompany transactions have been eliminated. Corporations that are 20 to 50 percent owned are accounted for by the equity method of accounting; ownership less than 20 percent is accounted for on the cost basis unless the Company exercises significant influence over the investee. Capital transactions by equity affiliates, which change the Company's ownership interest at amounts differing from the Company's carrying amount, are reflected in other income or expense and the investment in affiliates account.

The Company has a corporate services agreement with Masco Corporation, which at December 31, 1998 owned approximately 17 percent of the Company's Common Stock. Under the terms of the agreement, the Company pays fees to Masco Corporation for various corporate staff support and administrative services, research and development and facilities. Such fees, which are determined principally as a percentage of net sales, aggregated approximately $8.7 million in 1998, $5.5 million in 1997 and $7.1 million in 1996.

The preparation of financial statements in conformity with generally accepted accounting principles requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. Such estimates and assumptions also affect the reported amounts of revenues and expenses during the reporting periods. Actual results may differ from such estimates and assumptions.

Cash and Cash Investments. The Company considers all highly liquid debt instruments with an initial maturity of three months or less to be cash and cash investments. The carrying amount reported in the balance sheet for cash and cash investments approximates fair value.

Marketable Securities and Derivative Financial Instruments. The Company's marketable equity securities holdings are categorized as trading and, as a result, are stated at fair value. Changes in the fair value of trading securities are recognized in earnings. The Company may enter into S&P futures contracts which are held for purposes other than trading and are carried at market value. Changes in market value of outstanding futures contracts are recognized in earnings. The Company may enter into interest rate swap agreements to limit the effect of increases in the interest rates on any floating rate debt. For interest rate instruments that effectively hedge interest rate exposures, the net cash amounts paid or received on the agreements are recognized as an adjustment to interest expense.

Receivables. Receivables are presented net of allowances for doubtful accounts of approximately $3.4 million and $1.2 million at December 31, 1998 and 1997, respectively.

Inventories. Inventories are stated at the lower of cost or net realizable value, with cost determined principally by use of the first-in, first-out method.

Property and Equipment, Net. Property and equipment additions, including significant betterments, are recorded at cost. Upon retirement or disposal of property and equipment, the cost and accumulated depreciation are removed from the accounts, and any gain or loss is included in income. Repair and maintenance costs are charged to expense as incurred.

Depreciation and Amortization. Depreciation is computed principally using the straight-line method over the estimated useful lives of the assets. Annual depreciation rates are as follows: buildings and land improvements, 2 1/2 to 10 percent, and machinery and equipment, 6 2/3 to 33 1/3 percent. Deferred financing costs are amortized over the lives of the related debt securities. The excess of cost over net assets of acquired companies is amortized using the straight-line method over the period estimated to be benefitted, not exceeding 40 years. At each balance sheet date, management assesses whether there has been a permanent impairment of the excess of cost over net assets of acquired companies by comparing anticipated undiscounted future cash flows from operating activities with the carrying amount of the excess of cost over net assets of

MASCOTECH, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

acquired companies. The factors considered by management in performing this assessment include current operating results, business prospects, market trends, potential product obsolescence, competitive activities and other economic factors. Based on this assessment, there was no permanent impairment related to the excess of cost over net assets of acquired companies not held for disposition at December 31, 1998.

At December 31, 1998 and 1997, accumulated amortization of the excess of cost over net assets of acquired companies and patents was $56.4 million and $33.2 million, respectively. Amortization expense was $31.8 million, $9.3 million and $8.5 million in 1998, 1997 and 1996, respectively.

Income Taxes. The Company records income taxes in accordance with Statement of Financial Accounting Standards ("SFAS") No. 109 ("SFAS No. 109"), "Accounting for Income Taxes." SFAS No. 109 is an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the Company's financial statements or tax returns. In estimating future tax consequences, SFAS No. 109 generally allows consideration of all expected future events other than enactments of changes in the tax law or tax rates. A provision has not been made at December 31, 1998 for U.S. or additional foreign withholding taxes on approximately $90 million of undistributed earnings of foreign subsidiaries as those earnings are intended to be permanently reinvested. Generally, such earnings become subject to U.S. tax upon the remittance of dividends and under certain other circumstances. It is not practicable to estimate the amount of deferred tax liability on such undistributed earnings.

New Accounting Pronouncements and Reclassifications. Effective January 1, 1998, the Company adopted SFAS No. 130, "Reporting Comprehensive Income." This statement establishes standards for reporting and displaying comprehensive income and its components. The Company displays comprehensive income in the Statement of Shareholders' Equity and has reclassified all prior periods as required.

Effective December 31, 1998, the Company adopted SFAS No. 131, "Disclosure about Segments of an Enterprise and Related Information." SFAS No. 131 supersedes SFAS No. 14, "Financial Reporting for Segments of a Business Enterprise." The adoption of SFAS No. 131 did not affect results of operations or financial position but did affect the disclosure of segment information (see "Segment Information" note).

Effective December 31, 1998, the Company adopted SFAS No. 132, "Employer's Disclosure about Pensions and Other Postretirement Benefits." The provisions of SFAS No. 132 revise employers' disclosures about pension and other postretirement benefit plans. It does not change the measurement or recognition of these plans.

Prior periods have been reclassified to conform to these and other presentations adopted in calendar year 1998.

At January 1, 1996, the Company adopted SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of," which resulted in a pre-tax gain (because the fair value of the businesses being held for sale at January 1, 1996 exceeded the carrying value for such businesses) of $16.7 million ($11.7 million after-tax), recorded as the cumulative effect of an accounting change.

On June 15, 1998, the Financial Accounting Standards Board ("FASB") issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 is effective for quarters of all fiscal years beginning after June 15, 1999 (January 1, 2000 for the Company). SFAS No. 133 requires that all derivative instruments be recorded on the balance sheet at their fair value. Changes in the fair value of derivatives are recorded each period in current earnings or other comprehensive income, depending on whether a derivative is designated as part of a hedge transaction and, if it is, the type of hedge transaction. The Company is currently evaluating the impact SFAS No. 133 will have on its financial statements, if any.

The American Institute of Certified Public Accountants' Statement of Position No. 98-5, "Reporting on the Costs of Start-up Activities," became effective on January 1, 1999 and will not have a material impact on the Company's financial statements.

EARNINGS PER SHARE:

The following are reconciliations of the numerators and denominators used

in the computations of basic and diluted earnings per common share:

<TABLE>
<CAPTION>

	(IN THOUSANDS EXCEPT PER SHARE AMOUNTS) 1998	1997	1996
<S>	<C>	<C>	<C>
Weighted average number of shares outstanding.....	43,630	40,300	50,190
Income before cumulative effect of accounting change, net...	$ 97,470	$115,240	$ 39,920
Less: Preferred stock dividends.....	--	(6,240)	(12,960)
Earnings used for basic earnings per share computation.....	$ 97,470	$109,000	$ 26,960
Basic earnings per share before cumulative effect of accounting change, net.....	$2.23	$2.70	$.54
Total shares used for basic earnings per share computation.....	43,630	40,300	50,190
Dilutive securities:			
Stock options and warrants.....	1,060	1,250	1,430
Assumed conversion of preferred stock at January 1, 1997.....	--	5,210	--
Convertible debentures.....	10,000	10,000	--
Contingently issuable shares.....	3,830	2,160	2,170
Total shares used for diluted earnings per share computation.....	58,520	58,920	53,790
Earnings used for basic earnings per share computation.....	$ 97,470	$109,000	$ 26,960
Add back of preferred stock dividends.....	--	6,240	--
Add back of debenture interest.....	9,530	9,530	--
Earnings used for diluted earnings per share computation.....	$107,000	$124,770	$ 26,960
Diluted earnings per share before cumulative effect of accounting change, net.....	$1.83	$2.12	$.50

</TABLE>

Diluted earnings per share reflect the potential dilution that would occur if securities or other contracts to issue common stock were exercised or converted into common stock. The Company's preferred stock and convertible debentures did not have a dilutive effect on earnings per share in 1996.

SUPPLEMENTARY CASH FLOWS INFORMATION:

Significant transactions not affecting cash were: in 1998, the issuance of $22 million of Company Common Stock in partial exchange for the assets of an acquired company; the acquisition of TriMas for cash and the assumption of liabilities of approximately $179 million; in 1997, the conversion of the Company's outstanding shares of Dividend Enhanced Convertible Preferred Stock for approximately ten million shares of Company Common Stock (see "Shareholders' Equity" note); the exchange of approximately 9.9 million shares of the outstanding common stock of Emco Limited ("Emco") with a value of approximately $106 million, in addition to the cash payment of approximately $46 million, in payment of a promissory note due to Masco Corporation; and in 1996, in addition to cash received, approximately $25 million comprised of both common stock and warrants, as consideration from the sale of MascoTech Stamping Technologies, Inc.; in addition to the cash payment by the Company of $121 million, notes approximating $159 million were

issued for the purchase of 18 million shares of the Company's Common Stock and warrants to purchase ten million shares of the Company's Common Stock (see "Shareholders' Equity" note).

Income taxes paid (refunded) were $38 million, $44 million and $(12) million in 1998, 1997 and 1996, respectively. Interest paid was $79 million, $39 million and $30 million in 1998, 1997 and 1996, respectively.

ACQUISITIONS:

In January 1998, the Company completed the acquisition of TriMas Corporation ("TriMas") by purchasing all the outstanding shares of TriMas not already owned by the Company for approximately $920 million. The Company previously owned 37 percent of TriMas.

The results for 1998 reflect TriMas sales and operating results from the date of acquisition. The acquisition has been accounted for as a purchase and the excess of the aggregate purchase price over the fair value of net assets acquired of approximately $680 million is being amortized over 40 years.

The following unaudited pro forma results of operations reflect this transaction as if it had occurred on January 1, 1997. The unaudited pro forma data does not purport to be indicative of the results which would actually have been reported if the transaction had occurred on such date (in thousands except per share amounts).

<TABLE>
<CAPTION>

	FOR THE YEARS ENDED DECEMBER 31	
	1998	1997
<S>	<C>	<C>
Net sales	$1,671,500	$1,590,040
Net income	$ 97,100	$ 115,260
Diluted earnings per common share	$1.83	$2.12

</TABLE>

In transactions accounted for as purchases, the Company acquired additional businesses in 1998 for an aggregate purchase price of approximately $77 million. These businesses have annual sales of approximately $60 million and their results of operations have been included in the consolidated financial statements from the dates of acquisition.

DISPOSITIONS OF BUSINESSES:

In May 1996, the Company sold MascoTech Stamping Technologies, Inc. ("MSTI"), a wholly owned subsidiary, to Tower Automotive, Inc. ("Tower") resulting in an after-tax loss of approximately $26 million ($.49 per common share). The Company received initial consideration of approximately $80 million, consisting principally of $55 million in cash, 785,000 shares of Tower common stock and warrants to purchase additional Tower common stock. In addition, the Company received approximately $30 million of contingent consideration ($5 million in 1997 and $25 million in 1998) based on the subsequent operating performance of the businesses sold. This gain, which is non-taxable, is included in the caption "gains (charge) on disposition of businesses, net" in the consolidated statement of income.

On January 3, 1997, the Company sold its Technical Services Group (comprised of the Company's engineering and technical business services units) to MSX International, Inc. Also included in this transaction were the net assets of APX International which were acquired by the Company in November 1996 for approximately $44 million. The sale resulted in total proceeds to the Company of approximately $145 million, subject to certain adjustments, consisting of cash, $30 million of subordinated debentures, $18 million of preferred stock and an approximate 45 percent common equity interest in MSX International, Inc. valued at $2 million. In January 1998, the Company received $48 million of cash from MSX International, Inc. in payment of the subordinated debentures and other amounts due MascoTech, resulting in a realized gain in the

first quarter 1998 of $7 million. The remaining deferred gain of approximately $20 million will be recognized upon the liquidation of the common and preferred stock holdings for cash. The Company did not reflect any revenues or expenses in the consolidated statement of income related to APX International from the date of acquisition through January 3, 1997 as control was deemed to be temporary.

In the second quarter of 1998, the Company recorded a non-cash charge aggregating approximately $41 million pre-tax (approximately $22 million after-tax) to reflect the write-down of certain long-lived assets principally related to the plan to dispose of certain businesses and to accrue exit costs of approximately $8 million, of which approximately $7 million relates to severance. The disposition of these businesses is expected to occur in 1999 with

the cash portion of the proceeds applied to reduce the Company's indebtedness and to provide capital to invest in its remaining businesses. The expected proceeds from the sale of the businesses to be disposed was estimated by the Company's management based on a variety of factors including: historical and projected operating performance, competitive market position, perceived strategic value to potential acquirors, tangible asset values and other relevant factors. In addition, management's estimate of the expected proceeds included input from independent parties familiar with business valuations of this nature.

The dispositions of these businesses do not meet the criteria for discontinued operations treatment for accounting purposes; accordingly, the sales and results of operations of these businesses will be included in continuing operations until disposition. These businesses had annual sales of $115 million, $130 million and $517 million in 1998, 1997 and 1996, respectively, and operating profit of $12 million, $16 million and $19 million in 1998, 1997 and 1996, respectively.

Future periods will include the operating results of the businesses to be sold and any additional costs to be incurred in connection with the sale of the remaining businesses which cannot be accrued at December 31, 1998, as well as the result of differences between estimated and actual proceeds. In addition, management expects that certain of the businesses to be disposed may be sold for gains; such gains will be recognized when realized.

INVENTORIES:

<TABLE>
<CAPTION>

	(IN THOUSANDS) AT DECEMBER 31	
	1998	1997
<S>	<C>	<C>
Finished goods	$ 87,810	$22,160
Work in process	47,960	22,990
Raw material	62,580	28,710
	$198,350	$73,860

</TABLE>

EQUITY AND OTHER INVESTMENTS IN AFFILIATES:

Equity and other investments in affiliates consist of the following common stock interests in publicly traded affiliates:

<TABLE>
<CAPTION>

	AT DECEMBER 31		
	1998	1997	1996
<S>	<C>	<C>	<C>
TriMas Corporation	--	37%	41%
Emco Limited	--	--	43%
Titan International, Inc.	16%	15%	12%
Delco Remy International, Inc. (voting)	17%	18%	26%

</TABLE>

Titan International, Inc. ("Titan") is a manufacturer of wheels, tires and other products for agricultural, construction and off-highway equipment markets. Delco Remy International, Inc. ("DRI") is a manufacturer of automotive electronic motors and other components. The above companies are accounted for under the equity method.

The carrying amount of investments in affiliates at December 31, 1998 and 1997 and quoted market values at December 31, 1998 for publicly traded affiliates (which may differ from the amounts that could have been realized upon disposition) are as follows:

<TABLE>
<CAPTION>

		(IN THOUSANDS)	
	1998 QUOTED	1998	1997

	MARKET VALUE	CARRYING AMOUNT	CARRYING AMOUNT
<S>	<C>	<C>	<C>
Common stock:			
TriMas Corporation	$ --	$ --	$137,740
Titan International, Inc.	31,500	46,900	44,080
Delco Remy International, Inc.	29,690	10,920	9,320
Investments in publicly traded affiliates (common stock holdings)	61,190	57,820	191,140
MSX International, Inc. debt	--	--	47,500
Other non-public affiliates	--	35,740	24,660
Total	$61,190	$93,560	$263,300

</TABLE>

In March 1997, TriMas called for redemption its 5% Convertible Subordinated Debentures which resulted in the issuance of approximately 4.7 million common shares, reducing the Company's common equity ownership in TriMas to approximately 37 percent. The Company recognized pre-tax income of approximately $13 million as a result of the change in the Company's common equity ownership interest in TriMas.

In September 1997, the Company exercised its option and exchanged its equity holdings in Emco, with a value approximating $106 million, and approximately $46 million in cash to satisfy the indebtedness to Masco Corporation incurred in 1996 in connection with the Company's purchase and retirement of certain of its securities held by Masco Corporation. This transaction resulted in a pre-tax gain of approximately $46 million. In addition, the Company had an investment in Emco subordinated notes which were classified as available-for-sale and, as a result, were included in other assets at fair value at December 31, 1997. The notes were subsequently redeemed in 1998.

In December 1997, DRI completed an initial public offering reducing the Company's common equity ownership interest in DRI to approximately 12 percent on a diluted basis. As a result of the change in the Company's common equity ownership interest in DRI, the Company recognized a pre-tax gain of approximately $5 million.

In addition to its equity investments in publicly traded affiliates, the Company has equity and other investment interests in privately held automotive related companies, including the Company's common equity ownership in Saturn Electronics & Engineering, Inc., a manufacturer of electromechanical and electronic automotive components, and MSX International, Inc., a provider of technology-based business services and product development services.

Equity in undistributed earnings of affiliates of $6 million at December 31, 1998, $68 million at December 31, 1997 and $57 million at December 31, 1996 are included in consolidated retained earnings.

Approximate combined condensed financial data of the Company's equity affiliates (including TriMas through the date of acquisition in early 1998 and Emco through the date of disposition September 30, 1997) accounted for under the equity method are as follows:

<TABLE>
<CAPTION>

	(IN THOUSANDS) AT DECEMBER 31	
	1998	1997
<S>	<C>	<C>
Current assets	$948,370	$1,117,940
Current liabilities	(451,200)	(520,900)
Working capital	497,170	597,040
Property and equipment, net	473,460	612,060
Excess of cost over net assets of acquired companies	112,640	371,190
Other assets	236,420	145,000
Long-term debt	(846,330)	(702,390)
Deferred income taxes and other long-term liabilities	(52,030)	(82,610)

Shareholders' equity	$421,330	$ 940,290

<TABLE>
<CAPTION>

	(IN THOUSANDS) FOR THE YEARS ENDED DECEMBER 31		
	1998	1997	1996
<S>	<C>	<C>	<C>
Net sales	$2,764,860	$3,484,540	$2,959,980
Operating profit	$ 125,730	$ 264,590	$ 269,440
Earnings attributable to common stock	$ 32,480	$ 108,230	$ 128,820

</TABLE>

Equity and other income from affiliates consists of the following:

<TABLE>
<CAPTION>

	(IN THOUSANDS) FOR THE YEARS ENDED DECEMBER 31		
	1998	1997	1996
<S>	<C>	<C>	<C>
The Company's equity in affiliates' earnings available for common shareholders	$ 7,340	$31,330	$35,190
Interest and dividend income	2,810	12,030	5,270
Equity and other income from affiliates	$10,150	$43,360	$40,460

</TABLE>

PROPERTY AND EQUIPMENT, NET:

<TABLE>
<CAPTION>

	(IN THOUSANDS) AT DECEMBER 31	
	1998	1997
<S>	<C>	<C>
Cost:		
Land and land improvements	$ 33,160	$ 19,820
Buildings	179,870	116,270
Machinery and equipment	777,710	545,590
	990,740	681,680
Less: Accumulated depreciation	312,610	264,650
	$678,130	$417,030

</TABLE>

Depreciation expense totalled $52 million, $34 million and $37 million in 1998, 1997 and 1996, respectively.

ACCRUED LIABILITIES:

<TABLE>
<CAPTION>

	(IN THOUSANDS) AT DECEMBER 31	
	1998	1997
<S>	<C>	<C>
Salaries, wages and commissions	$ 16,550	$ 9,160
Vacation, holiday and bonus	19,420	8,530
Income taxes	8,790	7,760

Interest	4,300	1,740
Insurance	22,470	24,740
Property, payroll and other taxes	5,490	3,340
Pension	13,600	6,900
Other	44,610	52,480
	$135,230	$114,650

</TABLE>

LONG-TERM DEBT:

<TABLE>
<CAPTION>

	(IN THOUSANDS) AT DECEMBER 31	
	1998	1997
<S>	<C>	<C>
4 1/2% Convertible Subordinated Debentures, due 2003 and convertible into Company Common Stock at $31 per share	$ 310,000	$310,000
Bank revolving credit agreement	500,000	245,000
Bank term loan	475,000	--
Other	108,060	39,880
	1,393,060	594,880
Less: Current portion of long-term debt	4,820	2,880
Long-term debt	$1,388,240	$592,000

</TABLE>

In connection with the TriMas acquisition in early 1998 (see "Acquisitions" note), the Company entered into a new $1.3 billion credit facility. This facility includes a $500 million term loan with remaining principal payments as follows: 1999 -- $40 million; 2000 -- $60 million; 2001 -- $75 million; 2002 -- $190 million; and 2003 -- $110 million. The credit facility also includes an $800 million revolver which terminates in 2003. The Company has the ability and intent to refinance amounts due in 1999 on a long-term basis utilizing the revolver.

Other debt at December 31, 1998 principally consists of borrowings denominated in foreign currencies under the revolving credit agreement by the Company's subsidiaries. At December 31, 1998, there was $233 million unused under the revolving credit agreement.

The interest rates applicable to the revolver and term loan are principally at alternative floating rates which approximated 6.3 percent at December 31, 1998. Interest rate swaps covering a notional amount of $400 million of the Company's floating rate debt were entered into in 1998 at an aggregate interest rate of approximately seven percent including the current borrowing spread under the Company's revolving credit agreement. These swap agreements expire at various dates between 2000 and 2007.

The credit facility requires the maintenance of a specified level of shareholders' equity plus subordinated debt, with limitations on the ratios of total debt to cash flow (as defined) and cash flow less capital expenditures (as defined) to interest plus taxes and scheduled debt payments. In addition, there are limitations on dividends, share repurchases and subordinated debt repurchases. Under the most restrictive of

these provisions, approximately $39 million would have been available at December 31, 1998 for the payment of cash dividends and the acquisition of Company capital stock. The facility is collateralized by a pledge of the stock of TriMas.

The maturities of debt as at December 31, 1998 during the next five years are as follows (in millions): 1999 -- $45; 2000 -- $67; 2001 -- $79; 2002 -- $194; and 2003 -- $923.

SHAREHOLDERS' EQUITY:

On June 27, 1997, the Company completed the conversion of all remaining issued and outstanding shares of its Dividend Enhanced Convertible Preferred

Stock (DECS). Holders of DECS received in exchange for each share of DECS .955 of a share of the Company's Common Stock, par value $1.00 per share, resulting in the issuance of approximately 10 million shares of Company Common Stock.

On October 31, 1996, the Company purchased from Masco Corporation 17 million shares of MascoTech common stock and warrants to purchase 10 million shares of MascoTech common stock, for cash and notes approximating $266 million. As part of this 1996 transaction, Richard A. Manoogian, Chairman of both Masco Corporation and MascoTech, also sold to MascoTech one million shares of MascoTech common stock (at the then current market price) for approximately $13.6 million. In addition, as part of this transaction, Masco Corporation's agreement to purchase from the Company, at the Company's option, up to $200 million of subordinated debentures was extended through 2002. Masco Corporation also agreed that MascoTech will have the right of first refusal to purchase the approximate 7.8 million shares of MascoTech common stock that Masco Corporation continues to hold, should Masco Corporation decide to dispose of such shares.

The Company repurchased and retired approximately 3.6 million shares of its common stock in 1998, approximately .3 million shares of its common stock and approximately .5 million shares of its preferred stock in 1997, and approximately one million shares of its common stock in 1996, pursuant to Board of Directors' authorized repurchase programs. At December 31, 1998, the Company may repurchase approximately 4.6 million additional shares of Company Common Stock pursuant to repurchase authorization.

On the basis of amounts paid (declared), cash dividends per common share were $.26 ($.20) in 1998, $.22 ($.28) in 1997 and $.18 ($.18) in 1996.

STOCK OPTIONS AND AWARDS:

The Company's Long Term Stock Incentive Plan (the "Plan") provides for the issuance of stock-based incentives in various forms. At December 31, 1998, outstanding stock-based incentives are in the form of restricted long-term stock awards and stock options.

Pursuant to the Plan, the Company granted long-term stock awards, net, for 908,000, 565,000 and 480,000 shares of Company Common Stock during 1998, 1997 and 1996, respectively, to key employees of the Company and affiliated companies. The weighted average fair value per share of long-term stock awards granted during 1998, 1997 and 1996 on the date of grant was $19, $19 and $14, respectively. Compensation expense for the vesting of long-term stock awards was approximately $5.2 million, $4.7 million and $2.3 million in 1998, 1997 and 1996, respectively. The unamortized value of unvested stock awards, aggregating approximately $47 million at December 31, 1998, are generally amortized over ten-year vesting periods and are recorded in the financial statements as a deduction from shareholders' equity.

Fixed stock options are granted to key employees of the Company and affiliated companies and have a maximum term of ten years. The exercise price of each fixed option equals the market price of Company Common Stock on the date of grant. These options either vest no later than ten years after grant or in installments beginning in the third year and extending through the eighth year after grant.

A summary of the status of the Company's stock options granted under the Plan or prior plans for the three years ended December 31, 1998 is presented below.

<TABLE>
<CAPTION>

	(SHARES IN THOUSANDS)		
	1998	1997	1996
<S>	<C>	<C>	<C>
Option shares outstanding, January 1.....	3,770	4,290	3,440
Weighted average exercise price.....	$10	$10	$ 8
Option shares granted.....	1,480	80	1,370
Weighted average exercise price.....	$19	$20	$15
Option shares exercised.....	(1,160)	(500)	(450)
Weighted average exercise price.....	$10	$ 8	$ 7
Option shares canceled.....	(140)	(100)	(70)
Weighted average exercise price.....	$15	$16	$ 5

Option shares outstanding, December 31.....	3,950	3,770	4,290
Weighted average exercise price.....	$14	$10	$10
Weighted average remaining option term (in years).....	6.6	4.7	5.3
Option shares exercisable, December 31.....	750	1,430	1,710
Weighted average exercise price.....	$ 9	$ 9	$ 9

The following table summarizes information about stock options outstanding at December 31, 1998:

(SHARES IN THOUSANDS)

RANGE OF EXERCISE PRICES	NUMBER OUTSTANDING AT 12/31/98	WEIGHTED AVERAGE REMAINING LIFE	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER EXERCISABLE AT 12/31/98	WEIGHTED AVERAGE EXERCISE PRICE
$4.50 -- $14	1,200	2.6	$ 5.46	455	$ 5.33
$14 -- $18	1,226	7.6	$14.54	250	$14.56
$18 -- $25.125	1,524	8.9	$19.20	45	$22.10
Total Outstanding	3,950		Total Exercisable	750	

At December 31, 1998, options have been granted and are outstanding with exercise prices ranging from $4.50 to $25.125 per share, the fair market values at the dates of grant.

At December 31, 1998, 1997 and 1996, a combined total of 3,820,000, 5,223,000 and 4,656,000 shares, respectively, of Company Common Stock were available for the granting of options and incentive awards under the above plans.

The Company has elected to continue to apply the provisions of Accounting Principles Board Opinion No. 25 and, accordingly, no stock option compensation expense is included in the determination of net income in the statement of income. The weighted average fair value on the date of grant of options granted was $6.30, $7.70 and $6.20 in 1998, 1997 and 1996, respectively. Had stock option compensation expense been determined pursuant to the methodology of SFAS No. 123, "Accounting for Stock-Based Compensation," the pro forma effects on the Company's earnings per share would have been a reduction of approximately $.04, $.02 and $.01 in 1998, 1997 and 1996, respectively.

The fair value for these options was estimated at the date of grant using a Black-Scholes option pricing model with the following weighted average assumptions:

	1998	1997	1996
Risk-free interest rate.....	5.5%	6.5%	6.5%
Dividend yield.....	1.3%	1.4%	1.1%
Volatility factor.....	28.8%	35.0%	39.0%
Expected option life (in years).....	5.5	5.5	5.5

EMPLOYEE BENEFIT PLANS:

Pension and Profit-Sharing Benefits. The Company sponsors defined-benefit pension plans for most of its employees. In addition, substantially all salaried employees participate in noncontributory profit-sharing plans, to which payments are approved annually by the Board of Directors. Aggregate charges to income under these plans were $15 million in 1998, $9 million in 1997 and $11 million in 1996.

Net periodic pension cost for the Company's defined-benefit pension plans includes the following components for the three years ended December 31, 1998:

(IN THOUSANDS)

	1998	1997	1996
<S>	<C>	<C>	<C>
Service cost	$ 6,470	$ 3,480	$ 5,230
Interest cost	11,380	6,650	6,490
Expected return on assets	(11,430)	(6,600)	(5,940)
Amortization of transition asset	(170)	(120)	(120)
Amortization of prior-service cost	750	690	640
Amortization of net loss	670	410	710
Net periodic pension cost	$ 7,670	$ 4,510	$ 7,010

</TABLE>

Major assumptions used in accounting for the Company's defined-benefit pension plans are as follows:

<TABLE>
<CAPTION>

	1998	1997	1996
<S>	<C>	<C>	<C>
Discount rate for obligations	6.75%	7.25%	7.50%
Rate of increase in compensation levels	5.00%	5.00%	5.00%
Expected long-term rate of return on plan assets	11.00%	11.00%	11.00%

</TABLE>

The following provides a reconciliation of the changes in the defined-benefit pension plans' projected benefit obligations and fair value of assets for each of the two years ended December 31, 1998, and the funded status as of December 31, 1998 and 1997:

<TABLE>
<CAPTION>

	(IN THOUSANDS) 1998	1997
<S>	<C>	<C>
CHANGES IN PROJECTED BENEFIT OBLIGATIONS		
Benefit obligations at January 1	$ (99,150)	$(89,620)
Acquisitions	(63,720)	--
Service cost	(5,900)	(3,180)
Interest cost	(11,380)	(6,650)
Plan amendments	(650)	(2,200)
Actuarial loss	(9,580)	(2,140)
Benefit payments	6,350	4,640
Projected benefit obligations at December 31	$(184,030)	$(99,150)
CHANGES IN PLAN ASSETS		
Fair value of plan assets at January 1	$ 63,020	$ 59,710
Actual return on plan assets	1,890	3,100
Acquisitions	46,420	--
Contributions	6,430	5,210
Benefit payments	(6,350)	(4,640)
Expenses/Other	(650)	(360)
Fair value of plan assets at December 31	$ 110,760	$ 63,020
FUNDED STATUS		
Plan assets less than projected benefits at December 31	$ (73,270)	$(36,130)
Unamortized transition asset	(1,100)	(800)
Unamortized prior-service cost	7,640	8,210
Unamortized net loss	36,600	21,340
Net liability recognized at December 31	$ (30,130)	$ (7,380)

</TABLE>

The following provides the amounts related to the plans at December 31, 1998 and 1997:

<TABLE>
<CAPTION>

(IN THOUSANDS)

	1998	1997
<S>	<C>	<C>
Accrued benefit liability	$(51,370)	$(24,960)
Intangible asset	10,540	10,620
Accumulated other comprehensive income	10,700	6,960
Net liability recognized	$(30,130)	$ (7,380)

</TABLE>

Postretirement Benefits. The Company provides postretirement medical and life insurance benefits, none of which are funded, for certain of its active and retired employees. Net periodic postretirement benefit cost includes the following components for the years ended December 31, 1998, 1997 and 1996:

<TABLE>
<CAPTION>

	(IN THOUSANDS)		
	1998	1997	1996
<S>	<C>	<C>	<C>
Service cost	$ 300	$ 300	$ 400
Interest cost	1,200	1,400	1,600
Net amortization	(100)	700	800
Net periodic postretirement benefit cost	$1,400	$2,400	$2,800

</TABLE>

The following provides a reconciliation of the changes in the postretirement benefit plans' benefit obligations for each of the two years ended December 31, 1998 and the status as of December 31, 1998 and 1997:

<TABLE>
<CAPTION>

	(IN THOUSANDS)	
	1998	1997
<S>	<C>	<C>
CHANGES IN BENEFIT OBLIGATIONS		
Benefit obligations at January 1	$(12,400)	$(20,000)
Acquisitions	(4,400)	--
Service cost	(300)	(300)
Interest cost	(1,200)	(1,400)
Employee contributions	(100)	(100)
Actuarial gain/(loss)	(1,900)	8,100
Benefit payments	1,200	1,300
Curtailment	200	--
Benefit obligations at December 31	$(18,900)	$(12,400)
STATUS		
Benefit obligations at December 31	$(18,900)	$(12,400)
Unamortized transition obligation	9,300	10,300
Unrecognized prior-service cost	500	500
Unrecognized net gain	(6,200)	(9,000)
Net liability at December 31	$(15,300)	$(10,600)

</TABLE>

The discount rate, as of December 31, 1998, used in determining the accumulated postretirement benefit obligation decreased from 7.25 percent in 1997 to 6.75 percent in 1998. The assumed health care cost trend rate in 1998 was 8.5 percent, decreasing to an ultimate rate in the year 2007 of five percent. If the assumed medical cost trend rates were increased by one percent, the accumulated postretirement benefit obligations would increase by $1.2 million and the aggregate of the service and interest cost components of net periodic postretirement benefit obligations cost would increase by $.1 million. If the assumed medical cost trend rates were decreased by one percent, the accumulated postretirement benefit obligations would decrease by $1.1 million and the aggregate of the service and interest cost components of net periodic postretirement benefit cost would decrease by $.1 million.

SEGMENT INFORMATION:

The Company has defined a segment as a component, with business activity resulting in revenue and expense, that has separate financial information evaluated regularly by the Company's chief operating decision maker in determining resource allocation and assessing performance. The Company has five operating segments involving the manufacture and sale of the following:

Specialty Metal Formed Products -- Precision products, principally engine and drivetrain components and subassemblies, generally produced using advanced metalworking technologies with significant proprietary content for the transportation industry.

Towing Systems -- Vehicle hitches, jacks, winches, couplers and related towing accessories.

Specialty Fasteners -- Cold formed fasteners and related metallurgical processing.

Specialty Packaging and Sealing Products -- Industrial container closures, pressurized gas cylinders and metallic and nonmetallic gaskets.

Specialty Industrial Products -- Specialty drills, cutters and specialized metal finishing services, and flame-retardant facings and jacketings and pressure-sensitive tapes.

The Company purchased TriMas in January 1998 and the segment data for 1998 reflects TriMas as though the transaction had occurred on January 1, 1998, consistent with the Company's internal management reporting.

Included in the Specialty Metal Formed Products segment are sales to one customer of $184 million, $156 million and $155 million in 1998, 1997 and 1996, respectively; sales to another customer, attributed mainly to the Specialty Metal Formed Products segment, of $140 million and $232 million in 1997 and 1996, respectively; sales to a third customer, attributed mainly to the Specialty Metal Formed Products segment, of $79 million and $146 million in 1997 and 1996, respectively; and sales to a fourth customer, attributed mainly to the Specialty Metal Formed Products segment, of $62 million and $122 million in 1997 and 1996, respectively. Specialty Metal Formal Products' operating profit for 1997 was reduced by $17 million of nonrecurring charges.

The Company's export sales approximated $142 million, $71 million and $75 million in 1998, 1997 and 1996, respectively.

Intersegment transactions represent principally transactions occurring in the ordinary course of business.

<TABLE>
<CAPTION>

(IN THOUSANDS)

	SPECIALTY METAL FORMED PRODUCTS	TOWING SYSTEMS	SPECIALTY FASTENERS	SPECIALTY PACKAGING AND SEALING PRODUCTS	SPECIALTY INDUSTRIAL PRODUCTS	COMPANIES SOLD OR HELD FOR SALE	TOTAL
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1998							
Revenue from external customers	$760,000	$238,000	$226,000	$223,000	$110,000	$115,000	$1,672,000
Intersegment revenue	5,000	6,000	3,000	--	1,000	3,000	18,000
Depreciation and amortization	34,000	9,000	10,000	11,000	5,000	6,000	75,000
Segment operating profit	106,000	34,000	38,000	46,000	16,000	12,000	252,000
Segment net assets	494,000	281,000	328,000	423,000	140,000	102,000	1,768,000
Capital expenditures	63,000	8,000	14,000	16,000	4,000	3,000	108,000
1997							
Revenue from external							

customers.....	711,000	--	44,000	--	37,000	130,000	922,000
Intersegment revenue.....	9,000	--	1,000	--	--	2,000	12,000
Depreciation and amortization.....	29,000	--	1,000	--	2,000	6,000	38,000
Segment operating profit...	88,000	--	8,000	--	7,000	16,000	119,000
Segment net assets.....	444,000	--	17,000	--	18,000	109,000	588,000
Capital expenditures.....	46,000	--	1,000	--	2,000	5,000	54,000
1996							
Revenue from external customers.....	668,000	--	43,000	--	53,000	517,000	1,281,000
Intersegment revenue.....	9,000	--	3,000	--	--	--	12,000
Depreciation and amortization.....	26,000	--	1,000	--	2,000	15,000	44,000
Segment operating profit...	93,000	--	8,000	--	3,000	19,000	123,000
Segment net assets.....	429,000	--	17,000	--	12,000	215,000	673,000
Capital expenditures.....	24,000	--	3,000	--	1,000	13,000	41,000

The following table presents the Company's revenues for each of the years ended December 31 and net assets at each year ended December 31 by geographic area, attributed to each subsidiary's continent of domicile. Revenue and net assets from no single foreign country was material to the consolidated revenues and net assets of the Company.

(IN THOUSANDS)

	1998		1997		1996	
	SALES	NET ASSETS	SALES	NET ASSETS	SALES	NET ASSETS
Europe.....	$149,000	$171,000	$100,000	$111,000	$170,000	$129,000
Australia.....	18,000	10,000	--	--	--	--
Other North America.....	16,000	12,000	--	--	--	--
Total foreign.....	$183,000	$193,000	$100,000	$111,000	$170,000	$129,000

The following is a reconciliation of reportable segment revenue from external customers, segment operating profit and segment net assets to the Company's consolidated totals:

(IN THOUSANDS)

	1998	1997	1996
REVENUE FROM EXTERNAL CUSTOMERS			
Revenue from external customers for reportable segments....	$1,672,000	$922,000	$1,281,000
TriMas sales prior to acquisition.....	(36,000)	--	--
Total net sales.....	$1,636,000	$922,000	$1,281,000

(IN THOUSANDS)

	1998	1997	1996
OPERATING PROFIT			
Total operating profit for reportable segments.....	$ 252,000	$119,000	$ 123,000
General corporate expense.....	(24,000)	(22,000)	(22,000)
Loss on disposition of businesses.....	(41,000)	--	(32,000)
MSTI earnout.....	25,000	5,000	--
TriMas operating profit prior to acquisition.....	(5,000)	--	--
Total operating profit.....	$ 207,000	$102,000	$ 69,000

<TABLE>
<CAPTION>

	(IN THOUSANDS) 1998	1997	1996
<S>	<C>	<C>	<C>
NET ASSETS AT DECEMBER 31			
Total net operating assets for reportable segments.....	$1,768,000	$588,000	$ 673,000
Corporate net assets.....	72,000	372,000	371,000
Total net assets.....	$1,840,000	$960,000	$1,044,000

</TABLE>

The information that the chief operating decision maker utilizes includes total net assets as presented in the table above. Total net assets is defined by the Company as total assets less current liabilities.

OTHER SIGNIFICANT ITEMS

<TABLE>
<CAPTION>

	(IN THOUSANDS) 1998	1997	1996
<S>	<C>	<C>	<C>
DEPRECIATION AND AMORTIZATION			
Segment totals.....	$ 75,000	$ 38,000	$ 44,000
Adjustments.....	9,000	5,000	1,000
Consolidated totals.....	$ 84,000	$ 43,000	$ 45,000

</TABLE>

The above adjustments to depreciation and amortization are principally the result of compensation expense related to stock award amortization and prepaid debenture expense amortization.

MASCOTECH, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

OTHER INCOME (EXPENSE), NET:

<TABLE>
<CAPTION>

	(IN THOUSANDS) 1998	1997	1996
<S>	<C>	<C>	<C>
Other, net:			
Net realized and unrealized gains (losses) from marketable securities.....	$ 3,330	$13,130	$ (160)
Interest income.....	4,180	3,440	1,160
Other, net.....	(5,450)	830	(3,600)
	$ 2,060	$17,400	$(2,600)

</TABLE>

INCOME TAXES:

<TABLE>
<CAPTION>

	(IN THOUSANDS) 1998	1997	1996
<S>	<C>	<C>	<C>
Income before income taxes and cumulative effect of accounting change, net:			
Domestic.....	$115,630	$173,410	$ 59,870
Foreign.....	28,890	16,880	17,350
	$144,520	$190,290	$ 77,220
Provision for income taxes:			
Currently payable:			
Federal.....	$ 28,210	$ 40,290	$ 16,170
State and local.....	3,950	6,810	4,650

Foreign	15,000	10,430	7,840
Deferred:			
Principally federal	590	18,840	8,300
Foreign	(700)	(1,320)	340
Income taxes on income before cumulative effect of accounting change, net	$ 47,050	$ 75,050	$ 37,300

</TABLE>

The components of deferred taxes at December 31, 1998 and 1997 are as follows:

<TABLE>
<CAPTION>

	(IN THOUSANDS) 1998	1997
<S>	<C>	<C>
Deferred tax assets:		
Inventories	$ 2,990	$ 2,440
Accrued liabilities and other long-term liabilities	51,910	35,660
Expected capital loss benefit from disposition of businesses	7,910	--
	62,810	38,100
Deferred tax liabilities:		
Property and equipment	101,640	64,630
Other, principally equity investments in affiliates	26,170	62,240
	127,810	126,870
Net deferred tax liability	$ 65,000	$ 88,770

</TABLE>

The following is a reconciliation of tax computed at the U.S. federal statutory rate to the provision for income taxes allocated to income before income taxes and cumulative effect of accounting change, net:

<TABLE>
<CAPTION>

	(IN THOUSANDS) 1998	1997	1996
<S>	<C>	<C>	<C>
U.S. federal statutory rate	35%	35%	35%
Tax at U.S. federal statutory rate	$50,580	$66,600	$27,020
State and local taxes, net of federal tax benefit	2,570	4,430	3,020
Higher effective foreign tax rate	4,210	3,200	2,100
Non-taxable additional consideration from previously sold business	(8,190)	(1,710)	--
Disposition of businesses	(2,400)	--	5,780
Amortization in excess of tax, net	1,390	(760)	(140)
Other, net	(1,110)	3,290	(480)
Income taxes before cumulative effect of accounting change, net	$47,050	$75,050	$37,300

</TABLE>

FAIR VALUE OF FINANCIAL INSTRUMENTS:

In accordance with Statement of Financial Accounting Standards No. 107, "Disclosures about Fair Value of Financial Instruments," the following methods were used to estimate the fair value of each class of financial instruments:

MARKETABLE SECURITIES, NOTES RECEIVABLE AND OTHER ASSETS

Fair values of financial instruments included in marketable securities, notes receivable and other assets were estimated using various methods including

quoted market prices and discounted future cash flows based on the incremental borrowing rates for similar types of investments. In addition, for variable-rate notes receivable that fluctuate with the prime rate, the carrying amounts approximate fair value.

LONG-TERM DEBT

The carrying amount of bank debt and certain other long-term debt instruments approximate fair value as the floating rates inherent in this debt reflect changes in overall market interest rates. The fair values of the Company's subordinated debt instruments are based on quoted market prices. The fair values of certain other debt instruments are estimated by discounting future cash flows based on the Company's incremental borrowing rate for similar types of debt instruments.

DERIVATIVES

The Company has limited involvement with derivative financial instruments, and does not use derivatives for trading purposes. The derivatives, principally consisting of S&P futures contracts and interest rate swap agreements, are intended to reduce the market risk associated with the Company's marketable equity securities portfolio and floating rate debt.

The Company's investment in S&P futures contracts increases in value as a result of decreases in the underlying index and decreases in value when the underlying index increases. The contracts are financial instruments (with off-balance sheet market risk), as they are required to be settled in cash. The Company's market risk is subject to the price differential between the contract market value and contract cost. The average monthly notional amount of S&P futures contracts in 1997 was approximately $17 million. Futures contracts trade on organized exchanges, and as a result, settlement of such contracts has little credit risk.

Initial margin requirements are met in cash or other instruments, and changes in the contract values are settled periodically. Initial margin requirements are recorded as cash investments in the balance sheet. Futures contracts are short-term in nature, usually less than six months. There were no contracts outstanding at December 31, 1998 or 1997.

Interest rate swap agreements covering a notional amount of $400 million of the Company's floating rate debt were entered into in 1998 at an aggregate interest rate of approximately seven percent including the current borrowing spread under the Company's revolving credit agreement. The fair value of the swap agreements was not recognized in the consolidated financial statements since they are accounted for as hedges of the floating rate exposure. These swap agreements expire at various dates in 2000 to 2007.

The estimated fair value of the interest rate swap agreements, based on current market rates, approximated a net payable of $11 million at December 31, 1998. Exposure to credit loss could occur when the fair value of the agreements is a net receivable.

The interest rate swaps are with major banks of high credit quality; therefore, the risk of non-performance by the counterparties is considered to be negligible.

The carrying amounts and fair values of the Company's financial instruments at December 31, 1998 and 1997 are as follows:

<TABLE>
<CAPTION>

			(IN THOUSANDS)	
	1998		1997	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
<S>	<C>	<C>	<C>	<C>
Cash and cash investments	$ 29,390	$ 29,390	$ 41,110	$ 41,110
Marketable securities, notes receivable and other assets	$ 5,290	$ 4,480	$ 80,760	$ 81,590
Long-term debt:				
Bank debt	$1,051,260	$1,051,260	$267,000	$267,000
4 1/2% Convertible Subordinated Debentures	$ 310,000	$ 251,100	$310,000	$269,700
Other long-term debt	$ 26,980	$ 25,580	$ 15,000	$ 14,500

</TABLE>

MASCOTECH, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

INTERIM AND OTHER SUPPLEMENTAL FINANCIAL DATA (UNAUDITED):

<TABLE>
<CAPTION>

(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

	FOR THE QUARTERS ENDED			
	DECEMBER 31ST	SEPTEMBER 30TH	JUNE 30TH	MARCH 31ST
<S>	<C>	<C>	<C>	<C>
1998:				
Net sales	$401,760	$399,500	$433,480	$400,760
Gross profit	$104,960	$100,150	$117,070	$104,390
Net income:				
Income	$ 18,120	$ 16,790	$ 29,820	$ 32,740
Income attributable to common stock	$ 18,120	$ 16,790	$ 29,820	$ 32,740
Per common share:				
Basic	$.43	$.38	$.68	$.74
Diluted	$.36	$.33	$.54	$.60
Market price per common share:				
High	$18 3/4	$24 1/8	$26 7/16	$23 1/4
Low	$15 1/4	$16 1/4	$22 5/16	$17 11/16
1997:				
Net sales	$233,620	$222,030	$233,040	$233,440
Gross profit	$ 42,020	$ 34,350	$ 53,990	$ 56,300
Net income:				
Income	$ 19,270	$ 38,660	$ 24,650	$ 32,660
Income attributable to common stock	$ 19,270	$ 38,660	$ 21,650	$ 29,420
Per common share:				
Basic	$.43	$.86	$.61	$.83
Diluted	$.37	$.70	$.46	$.59
Market price per common share:				
High	$21 5/16	$22 1/2	$23 1/2	$21 1/4
Low	$16 1/2	$20	$18 1/2	$16

</TABLE>

In January 1998, the Company completed the acquisition of TriMas Corporation ("TriMas") by purchasing all the outstanding shares of TriMas not already owned by the Company for approximately $920 million. The results for 1998 reflect TriMas sales and operating results from the date of acquisition.

Results for first quarter 1998 benefitted from pre-tax gains aggregating approximately $12 million which resulted from partial recognition of a deferred gain related to the 1997 divestiture of a business and gains from the Company's marketable securities portfolio.

Second quarter results for 1998 were impacted by the charge (approximately $41 million pre-tax) principally related to the disposition of certain businesses. This charge more than offset the gain (approximately $25 million pre-tax) related to additional consideration received by the Company in the second quarter of 1998 resulting from the disposition of MascoTech Stamping Technologies, Inc. ("MSTI") in 1996.

Results for the first and fourth quarters 1997 include pre-tax gains of approximately $13 million and $5 million, respectively, as a result of equity transactions by affiliates of the Company.

Results for the first, second, third and fourth quarters 1997 include pre-tax marketable securities gains (losses) of approximately $5.0 million, $4.0 million, $4.4 million and $(.3) million, respectively.

MASCOTECH, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Results for the third quarter 1997 include a pre-tax gain of approximately $46 million related to the transfer of the Company's equity holdings in Emco Limited to Masco Corporation. This gain was partially offset by pre-tax costs

approximating $14 million associated with a plant closure and the Company's share of a special charge recorded by an equity affiliate and other expenses.

Results for the fourth quarter 1997 include approximately $5 million pre-tax of additional consideration earned from the sale of MSTI, which was sold in the second quarter 1996.

Results for the fourth quarter 1997 were negatively impacted by charges aggregating approximately $10 million pre-tax principally related to severance, the Company's share of a charge recorded by an equity affiliate, write-off of deferred charges and loss on disposition of fixed assets.

The 1998 and 1997 income (loss) per common share amounts for the quarters may not total to the full year amounts due to the purchase and retirement of shares throughout the year.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

Not Applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

Information regarding executive officers required by this Item is set forth as a Supplementary Item at the end of Part I hereof (pursuant to Instruction 3 to Item 401(b) of Regulation S-K). Other information required by this Item will be contained in the Company's definitive Proxy Statement for its 1999 Annual Meeting of Stockholders, to be filed on or before April 30, 1999 and such information is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION.

Information required by this Item will be contained in the Company's definitive Proxy Statement for its 1999 Annual Meeting of Stockholders, to be filed on or before April 30, 1999, and such information is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

Information required by this Item will be contained in the Company's definitive Proxy Statement for its 1999 Annual Meeting of Stockholders, to be filed on or before April 30, 1999, and such information is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Information required by this Item will be contained in the Company's definitive Proxy Statement for its 1999 Annual Meeting of Stockholders, to be filed on or before April 30, 1999, and such information is incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

(A) LISTING OF DOCUMENTS.

(1) Financial Statements. The Company's Consolidated Financial Statements included in Item 8 hereof, as required at December 31, 1998 and 1997, and for the years ended December 31, 1998, 1997 and 1996, consist of the following:

Consolidated Balance Sheet

Consolidated Statement of Income

Consolidated Statement of Cash Flows

Consolidated Statement of Shareholders' Equity

Notes to Consolidated Financial Statements

(2) Financial Statement Schedules.

(i) Financial Statement Schedule of the Company appended hereto, as required for the years ended December 31, 1998, 1997 and 1996, consists of the following:

II. Valuation and Qualifying Accounts

(ii) TriMas Corporation and Subsidiaries Consolidated Financial Statements appended hereto, as required at December 31, 1997 and 1996, and for the years ended December 31, 1997, 1996 and 1995, consist of the following:

Consolidated Statement of Income

Consolidated Balance Sheets

Consolidated Statement of Cash Flows

Notes to Consolidated Financial Statements

(3) Exhibits.

<TABLE>

<S>	<C>
3.i	Restated Certificate of Incorporation of MascoTech, Inc. and amendments thereto. (filed herewith)
3.ii	Bylaws of MascoTech, Inc., as amended.(5)
4.a	Indenture dated as of November 1, 1986 between Masco Industries, Inc. (now known as MascoTech, Inc.) and Morgan Guaranty Trust Company of New York, as Trustee, and Directors' resolutions establishing the Company's 4 1/2% Convertible Subordinated Debentures Due 2003, Agreement of Appointment and Acceptance of Successor Trustee dated as of August 4, 1994 among MascoTech, Inc., Morgan Guaranty Trust Company of New York and The First National Bank of Chicago, Supplemental Indenture dated as August 5, 1994 between MascoTech, Inc. and The First National Bank of Chicago, as trustee. (all filed herewith)
4.b	$1,300,000,000 Credit Agreement dated as of January 16, 1998 among MascoTech, Inc., MascoTech Acquisition, Inc., the banks party thereto from time to time, The First National Bank of Chicago, as Administrative Agent, Bank of America NT&SA and NationsBank N.A., as Syndication Agents(6) and Amendment No. 1 thereto dated as of February 10, 1998.(5)
4.c	Rights Agreement dated as of February 20, 1998, between MascoTech, Inc. and The Bank of New York, as Rights Agent(7) and Amendment No. 1 to Rights Agreement dated as of September 22, 1998.(8)

</TABLE>

<TABLE>

<S>	<C>
NOTE:	Other instruments, notes or extracts from agreements defining the rights of holders of long-term MascoTech, Inc. or its subsidiaries have not been filed since (i) in each case the total amount of long-term debt permitted thereunder does not exceed 10 percent of MascoTech, Inc.'s consolidated assets, and (ii) such instruments, notes and extracts will be furnished by MascoTech, Inc. to the Securities and Exchange Commission upon request.
10.a	Assumption and Indemnification Agreement dated as of May 1, 1984 between Masco Corporation and Masco Industries, Inc. (now known as MascoTech, Inc.).(2)
10.b	Corporate Services Agreement dated as of January 1, 1987 between Masco Industries, Inc. (now known as MascoTech, Inc.) and Masco Corporation(5), Amendment No. 1 dated as of October 31, 1996(3) and related letter agreement dated January 22, 1998.(5)
10.c	Corporate Opportunities Agreement dated as of May 1, 1984 between Masco Corporation and Masco Industries, Inc. (now known as MascoTech, Inc.)(2) and Amendment No. 1 dated as of October 31, 1996.(3)
10.d	Stock Repurchase Agreement dated as of May 1, 1984 between Masco Corporation and Masco Industries, Inc. (now known as MascoTech, Inc.) and related letter dated September 20, 1985, Amendment to Stock Repurchase Agreement dated as of December 20, 1990 and amendment to Stock Repurchase Agreement included in Agreement dated as of November 23, 1993. (all filed herewith)
10.e	Amended and Restated Securities Purchase Agreement dated as

of November 23, 1993 ("Securities Purchase Agreement") between MascoTech, Inc. and Masco Corporation, including form of Note, Agreement dated as of November 23, 1993 relating thereto, and Amendment No. 1 to the Securities Purchase Agreement dated as of October 31, 1996. (all filed herewith)

10.f Registration Agreement dated as of March 31, 1993, between Masco Corporation and Masco Industries, Inc. (now known as MascoTech, Inc.).(1)

10.g Stock Purchase Agreement dated as of October 15, 1996 between Masco Corporation and MascoTech, Inc.(3)

NOTE: Exhibits 10.i through 10.z constitute the management contracts and executive compensatory plans or arrangements in which certain of the Directors and executive officers of the Company participate.

10.h MascoTech, Inc. 1991 Long Term Stock Incentive Plan (Restated July 15, 1998). (filed herewith)

10.i MascoTech, Inc. 1984 Restricted Stock Incentive Plan (Restated December 6, 1995).(2)

10.j MascoTech, Inc. 1984 Stock Option Plan (Restated December 6, 1995).(2)

10.k Masco Corporation 1991 Long Term Stock Incentive Plan (Amended and Restated April 23, 1997).(5)

10.l Masco Corporation 1988 Restricted Stock Incentive Plan (Restated December 6, 1995).(2)

10.m Masco Corporation 1988 Stock Option Plan (Restated December 6, 1995).(2)

10.n MascoTech, Inc. Supplemental Executive Retirement and Disability Plan.(1)

10.o MascoTech, Inc. 1997 Non-Employee Directors Stock Plan.(5)

10.p MascoTech, Inc. 1997 Annual Incentive Compensation Plan.(5)

10.q Employment Agreement dated as of December 10, 1997, between TriMas Corporation and Brian P. Campbell.(5)

</TABLE>

<TABLE>

<S> <C>

10.r Description of the MascoTech, Inc. Program for Estate, Financial Planning and Tax Assistance.(5)

10.s Masco Corporation 1997 Non-Employee Directors Stock Plan. (5)

10.t Stock Purchase Agreement between Masco Corporation and Masco Industries, Inc. (now known as MascoTech, Inc.) dated as of December 23, 1991 regarding Masco Capital Corporation(4) and Amendment thereto dated May 21, 1997.(5)

12 Computation of Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends. (filed herewith)

21 List of Subsidiaries. (filed herewith)

23 Consent of PricewaterhouseCoopers LLP. (filed herewith)

27 Financial Data Schedule as of and for the year ended December 31, 1998. (filed herewith)

</TABLE>

---

(1) Incorporated by reference to the Exhibits filed with MascoTech, Inc.'s Annual Report on Form 10-K for the year ended December 31, 1994.

(2) Incorporated by reference to the Exhibits filed with MascoTech, Inc.'s Annual Report on Form 10-K for the year ended December 31, 1995.

(3) Incorporated by reference to the Exhibits filed with MascoTech, Inc.'s Current Report on Form 8-K dated November 13, 1996.

(4) Incorporated by reference to the Exhibits filed with MascoTech, Inc.'s Annual Report on Form 10-K for the year ended December 31, 1996.

(5) Incorporated by reference to the Exhibits filed with MascoTech, Inc.'s Annual Report on Form 10-K for the year ended December 31, 1997.

(6) Incorporated by reference to the Exhibits filed with MascoTech, Inc.'s Current Report on Form 8-K dated January 30, 1998.

(7) Incorporated by reference to the Exhibits filed with MascoTech, Inc.'s Registration Statement on Form 8-A dated February 23, 1998.

(8) Incorporated by reference to the Exhibits filed with MascoTech, Inc.'s Quarterly Report on Form 10-Q dated September 30, 1998.

THE COMPANY WILL FURNISH ANY OF ITS STOCKHOLDERS A COPY OF ANY OF THE ABOVE EXHIBITS NOT INCLUDED HEREIN UPON THE WRITTEN REQUEST OF SUCH STOCKHOLDER AND

THE PAYMENT TO THE COMPANY OF THE REASONABLE EXPENSES INCURRED BY THE COMPANY IN FURNISHING SUCH COPY OR COPIES.

(B) REPORTS ON FORM 8-K.

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

MASCOTECH, INC.

By: /s/ TIMOTHY WADHAMS

TIMOTHY WADHAMS
Executive Vice President -- Finance and Administration and Chief Financial Officer

March 26, 1999

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

<TABLE>
<C> <S> <C>

PRINCIPAL EXECUTIVE OFFICER:

/s/ FRANK M. HENNESSEY FRANK M. HENNESSEY	Vice Chairman and Chief Executive Officer

PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER:

/s/ TIMOTHY WADHAMS TIMOTHY WADHAMS	Executive Vice President -- Finance and Administration and Chief Financial Officer
/s/ RICHARD A. MANOOGIAN RICHARD A. MANOOGIAN	Chairman of the Board
/s/ PETER A. DOW PETER A. DOW	Director
/s/ ROGER T. FRIDHOLM ROGER T. FRIDHOLM	Director
/s/ WILLIAM K. HOWENSTEIN WILLIAM K. HOWENSTEIN	Director
/s/ JOHN A. MORGAN JOHN A. MORGAN	Director
/s/ HELMUT F. STERN HELMUT F. STERN	Director

</TABLE>

March 26, 1999

MASCOTECH, INC.

FINANCIAL STATEMENT SCHEDULES

PURSUANT TO ITEM 14(a)(2) OF FORM 10-K

ANNUAL REPORT TO THE SECURITIES AND EXCHANGE COMMISSION

FOR THE YEAR ENDED DECEMBER 31, 1998

Schedules, as required for the years ended December 31, 1998, 1997 and 1996:

<TABLE>
<CAPTION>

</TABLE>

MASCOTECH, INC.

SCHEDULE II. VALUATION AND QUALIFYING ACCOUNTS

FOR THE YEARS ENDED DECEMBER 31, 1998, 1997 AND 1996

<TABLE>
<CAPTION>

COLUMN A	COLUMN B	COLUMN C		COLUMN D	COLUMN E
		ADDITIONS			
DESCRIPTION	BALANCE AT BEGINNING OF PERIOD	CHARGED TO COSTS AND EXPENSES	CHARGED (CREDITED) TO OTHER ACCOUNTS	DEDUCTIONS	BALANCE AT END OF PERIOD
			(A)	(B)	
<S>	<C>	<C>	<C>	<C>	<C>
Allowance for doubtful accounts, deducted from accounts receivable in the balance sheet:					
1998.....	$1,180,000	$750,000	$2,590,000	$1,110,000	$3,410,000
1997.....	$2,000,000	$500,000	$ 60,000	$1,380,000	$1,180,000
1996.....	$1,880,000	$890,000	$ 20,000	$ 790,000	$2,000,000

</TABLE>

NOTES:

(A) Allowance of companies acquired, and other adjustments, net in 1998 and 1997. Allowance of companies reclassified for businesses held for disposition, and other adjustments, net in 1996.

(B) Deductions, representing uncollectible accounts written off, less recoveries of accounts written off in prior years.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors
of MascoTech, Inc.:

We have audited the consolidated balance sheet of TriMas Corporation and subsidiaries as of December 31, 1997 and 1996, and the related consolidated statements of income and cash flows for each of the three years in the period ended December 31, 1997 as listed in Item 14(a)(2)(ii) of this Form 10-K. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of TriMas Corporation and subsidiaries as of December 31, 1997 and 1996, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1997, in conformity with generally accepted accounting principles.

As discussed in Note 2 to the financial statements, substantially all the outstanding shares of the Company not already owned by MascoTech, Inc. were acquired by them in January 1998. The Company is now a wholly owned subsidiary of MascoTech, Inc.

COOPERS & LYBRAND L.L.P.

Detroit, Michigan
February 17, 1998

TRIMAS CORPORATION

CONSOLIDATED STATEMENT OF INCOME

<TABLE>
<CAPTION>

	FOR THE YEARS ENDED DECEMBER 31,		
	1997	1996	1995
<S>	<C>	<C>	<C>
Net sales	$ 667,910,000	$ 600,230,000	$ 553,490,000
Cost of sales	(447,940,000)	(403,380,000)	(371,470,000)
Selling, general and administrative expenses	(106,270,000)	(92,560,000)	(83,340,000)
Operating profit	113,700,000	104,290,000	98,680,000
Interest expense	(5,420,000)	(10,810,000)	(13,530,000)
Other, net (principally interest income)	6,790,000	7,110,000	6,690,000
Income before income taxes and extraordinary charge	115,070,000	100,590,000	91,840,000
Income taxes	43,730,000	39,230,000	35,820,000
Income before extraordinary charge	71,340,000	61,360,000	56,020,000
Extraordinary charge related to becoming a private company	(4,970,000)		
Net income	$ 66,370,000	$ 61,360,000	$ 56,020,000

</TABLE>

The accompanying notes are an integral part of the consolidated financial statements.

TRIMAS CORPORATION

CONSOLIDATED BALANCE SHEET

<TABLE>
<CAPTION>

	DECEMBER 31,	
	1997	1996
<S>	<C>	<C>
ASSETS		
Current assets:		
Cash and cash equivalents	$105,380,000	$105,890,000
Receivables	83,340,000	80,390,000
Inventories	97,060,000	92,210,000
Other current assets	4,850,000	4,130,000
Total current assets	290,630,000	282,620,000
Property and equipment	200,490,000	194,540,000
Excess of cost over net assets of acquired companies	177,770,000	174,710,000
Other assets	39,570,000	44,800,000

Total assets	$708,460,000	$696,670,000

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:		
Accounts payable	$ 31,430,000	$ 33,750,000
Other current liabilities	36,710,000	45,430,000
Total current liabilities	68,140,000	79,180,000
Deferred income taxes and other	44,950,000	39,920,000
Long-term debt	45,970,000	187,120,000
Total liabilities	159,060,000	306,220,000
Shareholders' equity:		
Common stock, $.01 par value, authorized 100 million shares, outstanding 41.3 million shares in 1997; 36.6 million shares in 1996	410,000	370,000
Paid-in capital	260,310,000	155,690,000
Retained earnings	293,500,000	238,290,000
Cumulative translation adjustments	(4,820,000)	(3,900,000)
Total shareholders' equity	549,400,000	390,450,000
Total liabilities and shareholders' equity	$708,460,000	$696,670,000

</TABLE>

The accompanying notes are an integral part of the consolidated financial statements.

TRIMAS CORPORATION

CONSOLIDATED STATEMENT OF CASH FLOWS

<TABLE>
<CAPTION>

	FOR THE YEARS ENDED DECEMBER 31,		
	1997	1996	1995
<S>	<C>	<C>	<C>
CASH FROM (USED FOR):			
OPERATIONS:			
Net income	$ 66,370,000	$ 61,360,000	$ 56,020,000
Adjustments to reconcile net income to net cash from operations:			
Extraordinary charge	4,970,000		
Depreciation and amortization	25,680,000	22,930,000	21,480,000
Deferred income taxes	4,830,000	2,100,000	5,560,000
(Increase) decrease in receivables	(1,360,000)	(1,460,000)	(4,670,000)
(Increase) decrease in inventories	(5,050,000)	(2,430,000)	(5,930,000)
Increase (decrease) in accounts payable and other current liabilities	(9,900,000)	7,320,000	(2,500,000)
Other, net	(1,720,000)	1,260,000	(3,710,000)
Net cash from operations	83,820,000	91,080,000	66,250,000
INVESTMENTS:			
Capital expenditures	(28,560,000)	(26,670,000)	(23,470,000)
Acquisitions, net of cash acquired		(27,490,000)	
Contingent acquisition price paid (including $7.0 million to MascoTech, Inc.)	(11,250,000)		
Net cash from (used for) investments	(39,810,000)	(54,160,000)	(23,470,000)
FINANCING:			
Long-term debt:			
Issuance	23,750,000	27,920,000	
Retirement	(55,980,000)	(43,280,000)	(51,470,000)
Fees related to becoming a private company	(1,820,000)		
Common stock dividends paid	(10,470,000)	(8,060,000)	(6,590,000)
Net cash from (used for) financing	(44,520,000)	(23,420,000)	(58,060,000)
CASH AND CASH EQUIVALENTS:			
Increase (decrease) for the year	(510,000)	13,500,000	(15,280,000)
At beginning of the year	105,890,000	92,390,000	107,670,000

At end of the year.....	$105,380,000	$105,890,000	$ 92,390,000

</TABLE>

The accompanying notes are an integral part of the consolidated financial statements.

TRIMAS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of TriMas Corporation and its wholly owned subsidiaries (the "Company"). All significant intercompany transactions have been eliminated.

ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

AFFILIATES

As of December 31, 1997 MascoTech, Inc.'s common stock ownership in the Company approximated 36.8 percent (see "Subsequent Event" note), and Masco Corporation's common stock ownership approximated 3.8 percent. The Company has a corporate services agreement with Masco Corporation. Under the terms of the agreement, the Company pays a fee to Masco Corporation for various corporate support staff, administrative services, and research and development services. Such fee equals .8 percent of the Company's net sales, subject to certain adjustments, and totaled $4.0 million, $3.3 million and $3.1 million in 1997, 1996 and 1995.

CASH AND CASH EQUIVALENTS

The Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. At December 31, 1997 the Company had $81.4 million invested in prime commercial paper of several United States issuers having the highest rating given by one of the two principal rating agencies.

RECEIVABLES

Receivables are presented net of an allowance for doubtful accounts of $2.0 million and $1.9 million at December 31, 1997 and 1996.

INVENTORIES

Inventories are stated at the lower of cost or net realizable value, with cost determined principally by use of the first-in, first-out method.

PROPERTY AND EQUIPMENT

Property and equipment additions, including significant betterments, are recorded at cost. Upon retirement or disposal of property and equipment, the cost and accumulated depreciation are removed from the accounts and any gain or loss is included in income. Maintenance and repair costs are charged to expense as incurred.

DEPRECIATION AND AMORTIZATION

Depreciation is computed principally using the straight-line method over the estimated useful lives of the assets. Annual depreciation rates are as follows: buildings and land improvements, 2 1/2 to 5 percent, and machinery and equipment, 6 2/3 to 33 1/3 percent. The excess of cost over net assets of acquired companies is

TRIMAS CORPORATION

NOTE 1. ACCOUNTING POLICIES (CONTINUED)
being amortized using the straight-line method over the periods estimated to be benefited, not exceeding 40 years. At December 31, 1997 and 1996, accumulated amortization of the excess of cost over net assets of acquired companies and other intangible assets was $42.7 million and $36.6 million. Amortization expense was $6.1 million, $5.3 million and $5.0 million in 1997, 1996 and 1995.

As of each balance sheet date management assesses whether there has been an impairment in the value of excess of cost over net assets of acquired companies by comparing anticipated undiscounted future cash flows from the related operating activities with the carrying value. The factors considered by management in performing this assessment include current operating results, trends and prospects, as well as the effects of obsolescence, demand, competition and other economic factors. Based on this assessment there was no impairment at December 31, 1997.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of financial instruments classified in the balance sheet as current assets and current liabilities approximate fair values. The fair value of notes receivable, a portion of which is included in both receivables and other assets, based on discounted cash flows using current interest rates, approximates the carrying value of $7.8 million at December 31, 1997.

The carrying amount of borrowings from banks approximates fair value as the floating rates applicable to this debt generally reflect changes in overall market interest rates.

FOREIGN CURRENCY TRANSLATION

Net assets of the Company's operations outside of the United States are translated into U.S. dollars using current exchange rates with the effects of translation adjustments deferred and included as a separate component of shareholders' equity. Revenues, expenses and cash flows are translated at the average rates of exchange during the period.

NOTE 2. SUBSEQUENT EVENT

On December 17, 1997 MascoTech Inc.("MascoTech"), through its wholly owned subsidiary MascoTech Acquisition, Inc.("MascoTech Acquisition"), commenced a tender offer to acquire all of the outstanding shares of the Company not already owned by MascoTech. The tender offer was made in accordance with the terms of a merger agreement between the Company, MascoTech and MascoTech Acquisition. The tender offer expired on January 16, 1998 after approximately 95 percent of the Company's outstanding shares not owned by MascoTech had been tendered. On January 22, 1998 MascoTech Acquisition made payment on the tendered shares and was merged with and into the Company, with the Company surviving as a private and wholly owned subsidiary of MascoTech. During 1997 the Company recognized a $5.0 million (pre-tax and after tax) extraordinary charge related to the expenses incurred in connection with this going private transaction.

NOTE 3. ACQUISITIONS

During 1996 the Company acquired Queensland Towbars Pty. Ltd., The Englass Group Limited, Heinrich Stolz GmbH and Beaumont Bolt & Gasket Co., all for an aggregate $54.2 million of cash and assumed liabilities. The acquisitions were accounted for as purchases. The aggregate excess of cost over net assets acquired of $28.8 million is being amortized on a straight-line basis over 40 years. The results of operations of the acquired businesses have been included in the consolidated financial statements from the respective acquisition dates.

During 1997 the Company paid $11.3 million to the former owners of businesses acquired in previous years, including $7.0 million to MascoTech, Inc. These payments resulted from the acquired businesses having achieved specified levels of profitability during designated periods subsequent to the acquisition. These payments were recorded as additional excess of cost over net assets of acquired companies and are being amortized over the remainder of the original 40 year amortization period.

NOTE 4. SUPPLEMENTAL CASH FLOWS INFORMATION

<TABLE>

<CAPTION>

	(IN THOUSANDS) FOR THE YEARS ENDED DECEMBER 31,		
	1997	1996	1995
<S>	<C>	<C>	<C>
Interest paid	$ 7,420	$10,610	$13,560
Income taxes paid	$ 41,080	$33,180	$30,690
Significant noncash transactions:			
Conversion of convertible subordinated debentures into common stock	$106,000		
Accrued fees related to becoming a private company	$ 3,150		
Common stock dividends declared, payable in subsequent year	$ 2,890	$ 2,200	$ 1,830
Assumption of liabilities as partial consideration for the assets of companies acquired		$26,720	
Increase in obligation, including accrued interest, to former owner, MascoTech, Inc., of business acquired, recorded as additional excess of cost over net assets of acquired companies		$ 5,850	

</TABLE>

NOTE 5. INVENTORIES

<TABLE>
<CAPTION>

	(IN THOUSANDS) AT DECEMBER 31,	
	1997	1996
<S>	<C>	<C>
Finished goods	$53,260	$53,380
Work in process	15,430	14,340
Raw material	28,370	24,490
	$97,060	$92,210

</TABLE>

NOTE 6. PROPERTY AND EQUIPMENT

<TABLE>
<CAPTION>

	(IN THOUSANDS) AT DECEMBER 31,	
	1997	1996
<S>	<C>	<C>
Cost:		
Land and land improvements	$ 14,080	$ 14,010
Buildings	71,420	71,260
Machinery and equipment	261,070	240,960
	346,570	326,230
Less accumulated depreciation	146,080	131,690
	$200,490	$194,540

</TABLE>

Depreciation expense was $19.5 million, $17.7 million and $16.4 million in 1997, 1996 and 1995.

NOTE 7. OTHER CURRENT LIABILITIES

<TABLE>

<CAPTION>

	(IN THOUSANDS) AT DECEMBER 31,	
	1997	1996
<S>	<C>	<C>
Employee wages and benefits	$19,890	$18,570
Dividends	2,890	2,200
Property taxes	2,070	1,930
Current income taxes	1,690	3,810
Interest	720	2,710
Amount due former owner, MascoTech, Inc., of business acquired		5,850
Other	9,450	10,360
	$36,710	$45,430

</TABLE>

NOTE 8. LONG-TERM DEBT

<TABLE>
<CAPTION>

	(IN THOUSANDS) AT DECEMBER 31,	
	1997	1996
<S>	<C>	<C>
Borrowings from banks	$42,130	$ 68,030
5% convertible subordinated debentures		115,000
Other	4,840	4,260
	46,970	187,290
Less current maturities	1,000	170
	$45,970	$187,120

</TABLE>

At December 31, 1997 borrowings from banks are owing under the Company's L20.0 million revolving credit facility in England ($25.8 million) and its DM 30.0 million revolving credit facility in Germany ($16.3 million). At December 31, 1996 borrowings from banks are owing under the Company's domestic $350.0 million revolving credit facility ($33.0 million), its L20.0 million revolving credit facility in England ($19.3 million), its DM 30.0 million revolving credit facility in Germany ($9.0 million) and other borrowing arrangements in Germany ($6.7 million). The domestic facility, which was terminated in January, 1998 as a result of the acquisition of the Company by MascoTech, Inc., permitted the Company to borrow under several

NOTE 8. LONG-TERM DEBT (CONTINUED)

different interest rate options, while the foreign facilities base interest rates on the London Interbank Offered Rate (LIBOR). At December 31, 1997 the blended interest rate on bank borrowings equaled 6.4 percent. The facilities contain certain restrictive covenants, the most restrictive of which, at December 31, 1997, required $381.5 million of shareholders' equity. The Company had available credit of $8.6 million under its foreign revolving credit facilities at December 31, 1997.

During 1997 the Company redeemed, for cash, $9.0 million of its $115.0 million of 5% Convertible Subordinated Debentures Due 2003. The remaining $106.0 million of debentures were converted into 4.7 million shares of TriMas Corporation common stock at the conversion price of $22 5/8 per share.

NOTE 9. SHAREHOLDERS' EQUITY

<TABLE>
<CAPTION>

				(IN THOUSANDS)	
	COMMON STOCK	PAID-IN CAPITAL	RETAINED EARNINGS	CUMULATIVE TRANSLATION ADJUSTMENTS	TOTAL

Balance, January 1, 1995	$370	$155,210	$136,310	$(1,290)	$290,600
Net income			56,020		56,020
Common stock dividends			(6,960)		(6,960)
Other		220		(1,210)	(990)
Balance, December 31, 1995	370	155,430	185,370	(2,500)	338,670
Net income			61,360		61,360
Common stock dividends			(8,440)		(8,440)
Other		260		(1,400)	(1,140)
Balance, December 31, 1996	370	155,690	238,290	(3,900)	390,450
Net income			66,370		66,370
Common stock dividends			(11,160)		(11,160)
Convertible debt conversion	40	104,160			104,200
Other		460		(920)	(460)
Balance, December 31, 1997	$410	$260,310	$293,500	$(4,820)	$549,400

During 1997 $106.0 million of the Company's $115.0 million of 5% Convertible Subordinated Debentures Due 2003 were converted into 4.7 million shares of TriMas Corporation common stock at the conversion price of $22 5/8 per share. As a result of the conversion, $1.8 million of costs associated with the issuance of the debentures was charged against Paid-In-Capital.

NOTE 10. STOCK OPTIONS AND AWARDS

The Company's stock incentive plans include the TriMas Corporation 1995 Long Term Stock Incentive Plan, the 1988 Restricted Stock Incentive Plan and the 1988 Stock Option Plan. Company common stock available for grant under these plans includes the 2,000,000 shares initially established under the 1995 plan, plus additional shares resulting from certain reacquisitions of shares by the Company.

The Company granted long-term incentive awards of Company common stock, net, for 64,815 shares in 1997, 159,071 shares in 1996 and 290,588 shares in 1995, to key employees of the Company. The weighted average fair value per share, on date of grant, of long-term incentive awards granted in 1997, 1996 and 1995 was $24.15, $19.66 and $23.21. Compensation expense recorded in 1997, 1996 and 1995 related to long-term incentive awards was $2.4 million, $2.2 million and $1.6 million. The unamortized costs of incentive awards, aggregating $13.2 million at December 31, 1997, are being amortized over the vesting periods, which are typically ten years.

Fixed stock options are granted to key employees of the Company and have a maximum term of ten years. The exercise price of each fixed option equals the market price of the Company's common stock on the date of grant. The options generally vest in installments beginning in the second year and extending through the eighth year after grant. For the three years ended December 31, 1997 stock option information is as follows:

	FOR THE YEARS ENDED DECEMBER 31,		
	1997	1996	1995
Options outstanding, January 1	538,557	576,064	594,200
Options granted:			
At option prices per share of $18.38-$25.50	890	16,154	4,864
Weighted average option price per share	$23.89	$22.12	$23.35
Options exercised:			
At option price per share of $8.88	33,400	53,661	23,000
Options outstanding, December 31:			
At option prices per share of $7.50-$8.88	484,139	517,539	571,200
Weighted average option price per share	$8.42	$8.45	$8.49
Weighted average remaining term	2.5 years	3.5 years	4.6 years
At option prices per share of $18.38-$25.50	21,908	21,018	4,864
Weighted average option price per share	$22.46	$22.40	$23.35
Weighted average remaining term	3.3 years	4.3 years	5.3 years
Exercisable, December 31	327,647	312,552	260,464
Weighted average option price per share	$9.11	$8.94	

The Company applies Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees, in accounting for stock based compensation. Accordingly, no compensation expense has been charged against income for fixed stock option grants. Had compensation expense been determined based on the fair value at the 1997, 1996 and 1995 grant dates, consistent with the methodology of Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation, the pro forma effect on the Company's net income would not have been material.

At December 31, 1997 and 1996, a combined total of 1,952,669 and 2,011,642 shares of Company common stock were available for the granting of options and incentive awards under the aforementioned plans.

NOTE 11. RETIREMENT PLANS

The Company has noncontributory retirement benefit plans, both defined benefit plans and profit-sharing and other defined contribution plans, for most of its employees.

The annual expense for all plans was:

<TABLE>
<CAPTION>

	(IN THOUSANDS) FOR THE YEARS ENDED DECEMBER 31,		
	1997	1996	1995
<S>	<C>	<C>	<C>
Defined contribution plans	$3,040	$2,480	$3,470
Defined benefit plans	2,290	2,660	1,690
	$5,330	$5,140	$5,160

</TABLE>

Contributions to profit-sharing and other defined contribution plans are generally determined as a percentage of the covered employee's annual salary.

Defined benefit plans provide retirement benefits for salaried employees based primarily on years of service and average earnings for the five highest consecutive years of compensation. Defined benefit plans covering hourly employees generally provide benefits of stated amounts for each year of service. These plans are funded based on an actuarial evaluation and review of the assets, liabilities and requirements of each plan. Plan assets are held by a trustee and invested principally in cash equivalents and marketable equity and fixed income instruments.

Net periodic pension cost of defined benefit plans includes the following components:

<TABLE>
<CAPTION>

	(IN THOUSANDS) FOR THE YEARS ENDED DECEMBER 31,		
	1997	1996	1995
<S>	<C>	<C>	<C>
Service cost	$ 2,490	$ 2,670	$ 2,000
Interest cost	4,270	3,980	3,570
Actual (return) or loss on assets	(2,960)	(4,010)	(5,360)
Net amortization and deferral	(1,510)	20	1,480
	$ 2,290	$ 2,660	$ 1,690

</TABLE>

Weighted average rate assumptions used were as follows:

<TABLE>
<CAPTION>

	1997	1996	1995
<S>	<C>	<C>	<C>

Discount rate	7.3%	7.5%	7.3%
Rate of increase in compensation levels	5.1%	5.1%	5.1%
Expected long-term rate of return on plan assets	10.6%	10.6%	10.7%

</TABLE>

NOTE 11. RETIREMENT PLANS (CONTINUED)

The following table sets forth the funded status of the defined benefit plans:

<TABLE>
<CAPTION>

(IN THOUSANDS)

	AT DECEMBER 31,			
	1997		1996	
	PLANS WHERE ASSETS EXCEED ACCUMULATED BENEFITS	PLANS WHERE ACCUMULATED BENEFITS EXCEED ASSETS	PLANS WHERE ASSETS EXCEED ACCUMULATED BENEFITS	PLANS WHERE ACCUMULATED BENEFITS EXCEED ASSETS
<S>	<C>	<C>	<C>	<C>
Actuarial present value of:				
Vested benefit obligation	$ 2,800	$48,110	$30,850	$12,060
Accumulated benefit obligation	$ 2,800	$49,370	$31,220	$14,190
Projected benefit obligation	$ 2,800	$60,540	$41,030	$15,270
Plan assets at fair value	4,720	41,700	35,660	9,200
Projected benefit obligation (in excess of) or less than plan assets	1,920	(18,840)	(5,370)	(6,070)
Unrecognized net (asset) or obligation	(250)	(170)	(980)	390
Unrecognized prior service cost		2,340	400	1,680
Unrecognized net (gain) or loss	(1,630)	14,340	5,630	3,240
Requirement to recognize minimum liability		(5,520)		(4,220)
Prepaid pension cost or (pension liability)	$ 40	$(7,850)	$ (320)	$(4,980)

</TABLE>

The Company provides postretirement health care and life insurance benefits for certain eligible retired employees under unfunded plans. Some of the plans have cost-sharing provisions. Net periodic postretirement benefit costs during 1997, 1996 and 1995 were $1.0 million, $1.0 million and $.8 million.

The aggregate accumulated postretirement benefit obligation of these unfunded plans was $4.4 million and $7.1 million at December 31, 1997 and 1996. The discount rates used in determining the accumulated postretirement benefit obligations and the net periodic postretirement benefit costs were 7.25 percent, 7.5 percent and 7.25 percent in 1997, 1996 and 1995. The assumed health care cost trend rate in 1997 was nine percent, decreasing to an ultimate rate in the years subsequent to 2006 of five percent. A one percent increase in the assumed health care cost trend rates would have increased the net periodic postretirement benefit cost by $.1 million during 1997 and would have increased the accumulated postretirement benefit obligation at December 31, 1997 by $.5 million. The Company is amortizing the unrecognized transition accumulated postretirement benefit obligation and subsequent plan net gains and losses in accordance with Statement of Financial Accounting Standards No. 106. The accrued postretirement benefit obligation was $4.1 million and $3.5 million at December 31, 1997 and 1996.

NOTE 12. BUSINESS SEGMENT AND GEOGRAPHIC AREA INFORMATION

The Company's operations in its business segments consist principally of

the manufacture and sale of the following:

Specialty Fasteners: Cold formed fasteners and related metallurgical processing.

Towing Systems: Vehicle hitches, jacks, winches, couplers and related towing accessories.

Specialty Container Products: Industrial container closures, pressurized gas cylinders and metallic and nonmetallic gaskets.

Corporate Companies: Specialty drills, cutters and specialized metal finishing services, and flame-retardant facings and jacketings and pressure-sensitive tapes.

NOTE 12. BUSINESS SEGMENT AND GEOGRAPHIC AREA INFORMATION (CONTINUED)

<TABLE>
<CAPTION>

(IN THOUSANDS)

	FOR THE YEARS ENDED DECEMBER 31,		
	1997	1996	1995
<S>	<C>	<C>	<C>
NET SALES			
Specialty Fasteners	$161,640	$141,510	$141,050
Towing Systems	201,410	189,540	175,000
Specialty Container Products	218,920	189,320	165,670
Corporate Companies	85,940	79,860	71,770
Total net sales	$667,910	$600,230	$553,490
OPERATING PROFIT			
Specialty Fasteners	$ 29,630	$ 25,740	$ 27,290
Towing Systems	31,190	31,480	31,080
Specialty Container Products	46,810	42,890	39,040
Corporate Companies	14,490	11,980	8,420
Total operating profit	122,120	112,090	105,830
Other income (expense), net	1,370	(3,700)	(6,840)
General corporate expense	(8,420)	(7,800)	(7,150)
Income before income taxes and extraordinary charge	$115,070	$100,590	$ 91,840
IDENTIFIABLE ASSETS AT DECEMBER 31			
Specialty Fasteners	$149,400	$143,060	$146,200
Towing Systems	155,500	158,840	151,160
Specialty Container Products	244,600	231,610	149,790
Corporate Companies	58,020	57,220	56,230
Corporate (A)	100,940	105,940	112,980
Total assets	$708,460	$696,670	$616,360
CAPITAL EXPENDITURES			
Specialty Fasteners	$ 8,340	$ 4,500	$ 10,840
Towing Systems	4,770	9,160	4,790
Specialty Container Products	13,580	23,170	5,780
Corporate Companies	1,830	2,690	2,030
Corporate	40	10	30
Total capital expenditures	$ 28,560	$ 39,530(B)	$ 23,470
DEPRECIATION AND AMORTIZATION			
Specialty Fasteners	$ 7,510	$ 7,510	$ 7,230
Towing Systems	6,460	6,070	5,610
Specialty Container Products	8,860	6,690	6,140
Corporate Companies	2,780	2,590	2,430
Corporate	70	70	70
Total depreciation and amortization	$ 25,680	$ 22,930	$ 21,480

</TABLE>

(A) Corporate assets consist primarily of cash and cash equivalents.
(B) Including $12.9 million from businesses acquired.

Sales of the Company's foreign operations equaled $74.2 million, $46.0 million and $33.7 million in 1997, 1996 and 1995. Identifiable assets of foreign operations totaled $88.3 million, $82.9 million and $32.4 million at December 31, 1997, 1996 and 1995. Export sales equaled less than ten percent of total sales for each of the three years presented.

NOTE 13. INCOME TAXES

<TABLE>
<CAPTION>

	(IN THOUSANDS) FOR THE YEARS ENDED DECEMBER 31,		
	1997	1996	1995
<S>	<C>	<C>	<C>
Income before income taxes and extraordinary charge:			
Domestic	$105,810	$ 92,990	$86,900
Foreign	9,260	7,600	4,940
	$115,070	$100,590	$91,840
Provision for income taxes:			
Federal	$ 31,090	$ 29,700	$23,810
State and local	5,170	4,690	4,460
Foreign	2,640	2,740	1,990
Deferred, principally federal	4,830	2,100	5,560
	$ 43,730	$ 39,230	$35,820

</TABLE>

The following is a reconciliation of the U.S. federal statutory tax rate to the effective tax rate:

<TABLE>
<CAPTION>

	FOR THE YEARS ENDED DECEMBER 31,		
	1997	1996	1995
<S>	<C>	<C>	<C>
U.S. federal statutory tax rate	35.0%	35.0%	35.0%
State and local taxes, net of federal tax benefit	2.9	3.0	3.1
Foreign taxes in excess of U.S federal tax rate	.1	.1	.3
Nondeductible amortization of excess of cost over net assets of acquired companies	.6	.6	.7
Other, net	(.6)	.3	(.1)
Effective tax rate	38.0%	39.0%	39.0%

</TABLE>

Items that gave rise to deferred taxes:

<TABLE>
<CAPTION>

	(IN THOUSANDS) AT DECEMBER 31,			
	1997		1996	
	DEFERRED TAX ASSETS	DEFERRED TAX LIABILITIES	DEFERRED TAX ASSETS	DEFERRED TAX LIABILITIES
<S>	<C>	<C>	<C>	<C>
Property and equipment		$27,260		$23,940
Intangible assets		6,300		4,960
Accrued employee benefits	$3,350		$2,950	
Inventory	650		620	
Other	1,050	4,710	1,420	4,480
	$5,050	$38,270	$4,990	$33,380

</TABLE>

EXHIBIT INDEX

<TABLE>
<CAPTION>

EXHIBIT NUMBER	DESCRIPTION
<S>	<C>
3.i	Restated Certificate of Incorporation of MascoTech, Inc. and amendments thereto. (filed herewith)
3.ii	Bylaws of MascoTech, Inc., as amended.(5)
4.a	Indenture dated as of November 1, 1986 between Masco Industries, Inc. (now known as MascoTech, Inc.) and Morgan Guaranty Trust Company of New York, as Trustee, and Directors' resolutions establishing the Company's 4 1/2% Convertible Subordinated Debentures Due 2003, Agreement of Appointment and Acceptance of Successor Trustee dated as of August 4, 1994 among MascoTech, Inc., Morgan Guaranty Trust Company of New York and The First National Bank of Chicago, Supplemental Indenture dated as August 5, 1994 between MascoTech, Inc. and The First National Bank of Chicago, as trustee. (all filed herewith)
4.b	$1,300,000,000 Credit Agreement dated as of January 16, 1998 among MascoTech, Inc., MascoTech Acquisition, Inc., the banks party thereto from time to time, The First National Bank of Chicago, as Administrative Agent, Bank of America NT&SA and NationsBank N.A., as Syndication Agents(6) and Amendment No. 1 thereto dated as of February 10, 1998.(5)
4.c	Rights Agreement dated as of February 20, 1998, between MascoTech, Inc. and The Bank of New York, as Rights Agent(7) and Amendment No. 1 to Rights Agreement dated as of September 22, 1998.(8)
NOTE:	Other instruments, notes or extracts from agreements defining the rights of holders of long-term MascoTech, Inc. or its subsidiaries have not been filed since (i) in each case the total amount of long-term debt permitted thereunder does not exceed 10 percent of MascoTech, Inc.'s consolidated assets, and (ii) such instruments, notes and extracts will be furnished by MascoTech, Inc. to the Securities and Exchange Commission upon request.
10.a	Assumption and Indemnification Agreement dated as of May 1, 1984 between Masco Corporation and Masco Industries, Inc. (now known as MascoTech, Inc.).(2)
10.b	Corporate Services Agreement dated as of January 1, 1987 between Masco Industries, Inc. (now known as MascoTech, Inc.) and Masco Corporation(5), Amendment No. 1 dated as of October 31, 1996(3) and related letter agreement dated January 22, 1998.(5)
10.c	Corporate Opportunities Agreement dated as of May 1, 1984 between Masco Corporation and Masco Industries, Inc. (now known as MascoTech, Inc.)(2) and Amendment No. 1 dated as of October 31, 1996.(3)
10.d	Stock Repurchase Agreement dated as of May 1, 1984 between Masco Corporation and Masco Industries, Inc. (now known as MascoTech, Inc.) and related letter dated September 20, 1985, Amendment to Stock Repurchase Agreement dated as of December 20, 1990 and amendment to Stock Repurchase Agreement included in Agreement dated as of November 23, 1993. (all filed herewith)
10.e	Amended and Restated Securities Purchase Agreement dated as of November 23, 1993 ("Securities Purchase Agreement") between MascoTech, Inc. and Masco Corporation, including form of Note, Agreement dated as of November 23, 1993 relating thereto, and Amendment No. 1 to the Securities Purchase Agreement dated as of October 31, 1996. (all filed herewith)
10.f	Registration Agreement dated as of March 31, 1993, between Masco Corporation and Masco Industries, Inc. (now known as MascoTech, Inc.).(1)
10.g	Stock Purchase Agreement dated as of October 15, 1996 between Masco Corporation and MascoTech, Inc.(3)
NOTE:	Exhibits 10.i through 10.z constitute the management contracts and executive compensatory plans or arrangements in which certain of the Directors and executive officers of the Company participate.
10.h	MascoTech, Inc. 1991 Long Term Stock Incentive Plan

(Restated July 15, 1998). (filed herewith)
</TABLE>

<TABLE>
<CAPTION>
EXHIBIT
NUMBER	DESCRIPTION
<S>	<C>
10.i	MascoTech, Inc. 1984 Restricted Stock Incentive Plan (Restated December 6, 1995).(2)
10.j	MascoTech, Inc. 1984 Stock Option Plan (Restated December 6, 1995).(2)
10.k	Masco Corporation 1991 Long Term Stock Incentive Plan (Amended and Restated April 23, 1997).(5)
10.l	Masco Corporation 1988 Restricted Stock Incentive Plan (Restated December 6, 1995).(2)
10.m	Masco Corporation 1988 Stock Option Plan (Restated December 6, 1995).(2)
10.n	MascoTech, Inc. Supplemental Executive Retirement and Disability Plan.(1)
10.o	MascoTech, Inc. 1997 Non-Employee Directors Stock Plan.(5)
10.p	MascoTech, Inc. 1997 Annual Incentive Compensation Plan.(5)
10.q	Employment Agreement dated as of December 10, 1997, between TriMas Corporation and Brian P. Campbell.(5)
10.r	Description of the MascoTech, Inc. Program for Estate, Financial Planning and Tax Assistance.(5)
10.s	Masco Corporation 1997 Non-Employee Directors Stock Plan. (5)
10.t	Stock Purchase Agreement between Masco Corporation and Masco Industries, Inc. (now known as MascoTech, Inc.) dated as of December 23, 1991 regarding Masco Capital Corporation(4) and Amendment thereto dated May 21, 1997.(5)
12	Computation of Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends. (filed herewith)
21	List of Subsidiaries. (filed herewith)
23	Consent of PricewaterhouseCoopers LLP. (filed herewith)
27	Financial Data Schedule as of and for the year ended December 31, 1998. (filed herewith)
</TABLE>

---

(1) Incorporated by reference to the Exhibits filed with MascoTech, Inc.'s Annual Report on Form 10-K for the year ended December 31, 1994.

(2) Incorporated by reference to the Exhibits filed with MascoTech, Inc.'s Annual Report on Form 10-K for the year ended December 31, 1995.

(3) Incorporated by reference to the Exhibits filed with MascoTech, Inc.'s Current Report on Form 8-K dated November 13, 1996.

(4) Incorporated by reference to the Exhibits filed with MascoTech, Inc.'s Annual Report on Form 10-K for the year ended December 31, 1996.

(5) Incorporated by reference to the Exhibits filed with MascoTech, Inc.'s Annual Report on Form 10-K for the year ended December 31, 1997.

(6) Incorporated by reference to the Exhibits filed with MascoTech, Inc.'s Current Report on Form 8-K dated January 30, 1998.

(7) Incorporated by reference to the Exhibits filed with MascoTech, Inc.'s Registration Statement on Form 8-A dated February 23, 1998.

(8) Incorporated by reference to the Exhibits filed with MascoTech, Inc.'s Quarterly Report on Form 10-Q dated September 30, 1998.

THE COMPANY WILL FURNISH ANY OF ITS STOCKHOLDERS A COPY OF ANY OF THE ABOVE EXHIBITS NOT INCLUDED HEREIN UPON THE WRITTEN REQUEST OF SUCH STOCKHOLDER AND THE PAYMENT TO THE COMPANY OF THE REASONABLE EXPENSES INCURRED BY THE COMPANY IN FURNISHING SUCH COPY OR COPIES.

(B) REPORTS ON FORM 8-K.

None.

EXHIBIT 3.i

RESTATED CERTIFICATE OF INCORPORATION
OF
MascoTech, Inc.

* * * * *

MascoTech, Inc., a corporation organized and existing under the Laws of the State of Delaware (the "Company"), hereby certifies as follows:

FIRST: The name of the Company is MascoTech, Inc. The name under which the Company was originally incorporated is "Masco Industries, Inc." and the date of filing its original Certificate of Incorporation with the Secretary of State was March 15, 1984.

SECOND: This Restated Certificate of Incorporation only restates and integrates and does not further amend the provisions of the Certificate of Incorporation of this corporation as heretofore amended or supplemented and there is no discrepancy between those provisions and the provisions of this Restated Certificate of Incorporation.

THIRD: The text of the Certificate of Incorporation as amended or supplemented heretofore is hereby restated without further amendments or changes to read as herein set forth in full:

1. The name of the corporation is:

MascoTech, Inc.

2. The address of its registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle 19801. The name of its registered agent at such address is The Corporation Trust Company.

3. The nature of the business or purpose to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

4. The total number of shares of stock the corporation shall have authority to issue is two hundred seventy-five million (275,000,000) shares.

Two hundred fifty million (250,000,000) of such shares shall consist of common shares, par value one dollar ($1.00) per share, and twenty-five million (25,000,000) of such shares shall consist of preferred shares, par value one dollar ($1.00) per share. The designations and the powers, preferences and rights, and the qualifications, limitations or restrictions thereof are as follows:

A. Each share of common stock shall be equal in all respects to all other shares of such stock, and each share of outstanding common stock is

entitled to one vote.

B. Each share of preferred stock shall have or not have voting rights as determined by the Board of Directors prior to issuance.

Dividends on all outstanding shares of preferred stock must be declared and paid, or set aside for payment, before any dividends can be declared and paid, or set aside for payment, on the shares of common stock with respect to the same dividend period.

In the event of any liquidation, dissolution or winding up of the affairs of the Company, whether voluntary or involuntary, the holders of the preferred stock shall be entitled, before any assets of the Company shall be distributed among or paid over to the holders of the common stock, to an amount per share to be determined before issuance by the Board of Directors, together with a sum of money equivalent to the amount of any dividends declared thereon and remaining unpaid at the date of such liquidation, dissolution or winding up of the Company. After the making of such payments to the holders of the preferred stock, the remaining assets of the Company shall be distributed among the holders of the common stock alone, according to the number of shares held by each. If, upon such liquidation, dissolution or winding up, the assets of the Company distributable as aforesaid among the holders of the preferred stock shall be insufficient to permit the payment to them of said amount, the entire assets shall be distributed ratably among the holders of the preferred stock.

The Board of Directors shall have authority to divide the shares of preferred stock into series and fix, from time to time before issuance, the number of shares to be included in any series and the designation, relative rights, preferences and limitations of all shares of such series. The authority of the Board of Directors with respect to each series shall include the determination of any or all of the following, and the shares of each series may

vary from the shares of any other in the following respects: (a) the number of shares constituting such series and the designation thereof to distinguish the shares of such series from the shares of all other series; (b) the rate of dividend, cumulative or noncumulative, and the extent of further participation in dividend distribution, if any; (c) the prices at which issued (at not less than par) and the terms and conditions upon which the shares may be redeemable by the Company; (d) sinking fund provisions for the redemption or purchase of shares; (e) the voting rights; and (f) the terms and conditions upon which the shares are convertible into other classes of stock of the Company, if such shares are to be convertible.

C. No holder of any class of stock issued by this Company shall be entitled to pre-emptive rights.

D. The number of authorized shares of each class of

stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the stock of the Company entitled to vote, voting together as a single class.

5. (a) The business and affairs of the Company shall be managed by or under the direction of a Board of Directors consisting of not less than five nor more than twelve directors, the exact number of directors to be determined from time to time by resolution adopted by affirmative vote of a majority of the entire Board of Directors. The directors shall be divided into three classes, designated Class I, Class II and Class III. Each class shall consist, as nearly as may be possible, of one-third of the total number of directors constituting the entire Board of Directors. At the 1988 Annual Meeting of stockholders, Class I directors shall be elected for a one-year term, Class II directors for a two-year term and Class III directors for a three-year term. At each succeeding Annual Meeting of stockholders beginning in 1989, successors to the class of directors whose term expires at that annual meeting shall be elected for a three-year term. If the number of directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly equal as possible, and any additional director of any class elected to fill a vacancy resulting from an increase in such class shall hold office for a term that shall coincide with the remaining term of that class, but in no case will a decrease in the number of directors shorten the term of any

incumbent director. A director shall hold office until the annual meeting for the year in which his term expires and until his successor shall be elected and shall qualify, subject, however, to prior death, resignation, retirement or removal from office. Except as otherwise required by law, any vacancy on the Board of Directors that results from an increase in the number of directors shall be filled only by a majority of the Board of Directors then in office, provided that a quorum is present, and any other vacancy occurring in the Board of Directors shall be filled only by a majority of the directors then in office, even if less than a quorum, or by a sole remaining director. Any director elected to fill a vacancy not resulting from an increase in the number of directors shall serve for the remaining term of his predecessor.

Notwithstanding the foregoing, whenever the holders of any one or more classes or series of preferred stock or any other class of stock issued by the Company shall have the right, voting separately by class or series, to elect directors at an annual or special meeting of stockholders, the election, term of office, filling of vacancies and other features of such directorships shall be governed by the terms of the Certificate of Designation with respect to such stock, such directors so elected shall not be divided into classes pursuant to this Article 5, and the number of such directors shall not be counted in determining the maximum number of directors permitted under the foregoing

provisions of this Article 5, in each case unless expressly provided by such terms.

(b) Nominations for the election of directors may be made by the Board of Directors or by any stockholder entitled to vote in the election of directors. Any stockholder entitled to vote in the election of directors, however, may nominate one or more persons for election as director only if written notice of such stockholder's intent to make such nomination or nominations has been given either by personal delivery or by United States mail, postage prepaid, to the Secretary of the Company not later than (i) with respect to an election to be held at an Annual Meeting of stockholders, 45 days in advance of the date on which the Company's proxy statement was released to stockholders in connection with the previous year's Annual Meeting of stockholders and (ii) with respect to an election to be held at a special meeting of stockholders for the election of directors, the close of business on the seventh day following the day on which notice of such meeting is first given to stockholders. Each such notice shall include:

(A) the name and address of the stockholder who intends to make the nomination or nominations and of the person or persons to be nominated; (B) a representation that the stockholder is a holder of record of stock of the Company entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (C) a description of all arrangements or understandings between such stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations is or are to be made by the stockholder; (D) such other information regarding each nominee proposed by such stockholder as would have been required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission if the nominee had been nominated by the Board of Directors; and (E) the written consent of each nominee to serve as a director of the Company if elected. The chairman of any meeting of stockholders may refuse to acknowledge the nomination of any person if not made in compliance with the foregoing procedure.

(c) Notwithstanding any other provision of this Certificate of Incorporation or the by-laws (and notwithstanding the fact that a lesser percentage may be specified by law, this Certificate of Incorporation or the by-laws), and in addition to any affirmative vote required by law, the affirmative vote of the holders of at least 80% of the voting power of the outstanding capital stock of the Company entitled to vote, voting together as a single class, shall be required to amend, adopt in this Certificate of Incorporation or in the by-laws any provision inconsistent with, or repeal this Article 5.

6. Any action required or permitted to be taken by the stockholders of the Company must be effected at a duly called

annual or special meeting of such holders and may not be effected by any consent in writing by any such holders. Except as otherwise required by law, special meetings of stockholders of the Company may be called only by the Chairman of the Board, the President or a majority of the Board of Directors, subject to the rights of holders of any one or more classes or series of preferred stock or any other class of stock issued by the Company which shall have the right, voting separately by class or series, to elect directors. Notwithstanding any other provision of this Certificate of Incorporation or the by-laws (and notwithstanding that a lesser percentage may be specified by law, this Certificate of Incorporation or the by-laws), and in addition to any

affirmative vote required by law, the affirmative vote of the holders of at least 80% of the voting power of the outstanding capital stock of the Company entitled to vote, voting together as single class, shall be required to amend, adopt in this Certificate of Incorporation or in the by-laws any provision inconsistent with, or repeal this Article 6.

7. In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized: To make, alter or repeal the by-laws of the Company. To authorize and cause to be executed mortgages and liens upon the real and personal property of the Company. To set apart out of any of the funds of the Company available for dividends a reserve or reserves for any proper purpose and to abolish any such reserve in the manner in which it was created. When and as authorized by the affirmative vote of the holders of a majority of the stock issued and outstanding having voting power given at a stockholders' meeting duly called for that purpose, to sell, lease or exchange all of the property and assets of the Company, including its good will and its corporate franchises, upon such terms and conditions and for such consideration, which may be in whole or in part shares of stock in, and/or other securities of, any other corporation or corporations, as its Board of Directors shall deem expedient and for the best interests of the Company.

8. The private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatever.

9. Whenever a compromise or arrangement is proposed between the Company and its creditors or any class of them and/or between the Company and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of the Company or of any creditor or stockholder thereof, or on the application of any receiver or receivers appointed for the Company under the provisions of Section 279 of Title 8 of the Delaware Code, order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Company, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Company,

as

the case may be, agree to any compromise or arrangement and to any reorganization of the Company as consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of the Company, as the case may be, and also on the Company.

10. Meetings of stockholders may be held outside the State of Delaware, if the bylaws so provide. The books of the Company may be kept (subject to any provision contained in the statutes) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the bylaws of the Company. Elections of Directors need not be by ballot unless the bylaws of the Company shall so provide.

11. The Company reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

12. A. The affirmative vote of the holders of 95% of all shares of stock of the Company entitled to vote in elections of directors, considered for the purposes of this Article 12 as one class, shall be required for the adoption or authorization of a business combination (as hereinafter defined) with any other entity (as hereinafter defined) if, as of the record date for the determination of stockholders entitled to notice thereof and to vote thereon, such other entity is the beneficial owner, directly or indirectly, of 30% or more of the outstanding shares of stock of the Company entitled to vote in elections of directors considered for the purposes of this Article 12 as one class; provided that such 95% voting requirement shall not be applicable if:

(a) The cash, or fair market value of other consideration, to be received per share by common stockholders of the Company in such business combination bears the same or a greater percentage relationship to the market price of the Company's common stock immediately prior to the announcement of such business combination as the highest per share price (including brokerage commissions and soliciting dealers' fees) which such other entity has theretofore

paid for any of the shares of the Company's common stock already owned by it bears to the market price of the common stock of the Company immediately prior to the commencement of acquisition of the Company's common stock by such other entity;

(b) The cash, or fair market value of other consideration, to be received per share by common stockholders of the Company in such business

combination: (i) is not less than the highest per share price (including brokerage commissions and soliciting dealers' fees) paid by such other entity in acquiring any of its holdings of the Company's common stock, and (ii) is not less than the earnings per share of common stock of the Company for the four full consecutive fiscal quarters immediately preceding the record date for solicitation of votes on such business combination, multiplied by the then price/earnings multiple (if any) of such other entity as customarily computed and reported in the financial community;

(c) After such other entity has acquired a 30% interest and prior to the consummation of such business combination: (i) such other entity shall have taken steps to ensure that the Company's Board of Directors included at all times representation by continuing director(s) (as hereinafter defined) proportionate to the stockholdings of the Company's public common stockholders not affiliated with such other entity (with a continuing director to occupy any resulting fractional board position); (ii) there shall have been no reduction in the rate of dividends payable on the Company's common stock except as necessary to insure that a quarterly dividend payment does not exceed 5% of the net income of the Company for the four full consecutive fiscal quarters immediately preceding the declaration date of such dividend, or except as may have been approved by a unanimous vote of the directors; (iii) such other entity shall not have acquired any newly issued shares of stock, directly or indirectly, from the Company (except upon conversion of convertible securities acquired by it prior to obtaining a 30% interest or as a result of a pro rata stock dividend or stock split); and (iv) such other entity shall not have acquired any additional shares of the Company's outstanding common stock or securities convertible into common stock except as

a part of the transaction which results in such other entity acquiring its 30% interest;

(d) Such other entity shall not have (i) received the benefit, directly or indirectly (except proportionately as a stockholder) of any loans, advances, guarantees, pledges or other financial assistance or tax credits of or provided by the Company, or (ii) made any major change in the Company's business or equity capital structure without the unanimous approval of the directors, in either case prior to the consummation of such business combination.

(e) A proxy statement responsive to the requirements of the United States securities laws shall be mailed to all common stockholders of the Company for the purpose of soliciting stockholder approval of such business combination and shall contain on its first page thereof, in a prominent place, any recommendations as to the advisability (or inadvisability) of the business combination which the continuing directors, or any of them, may choose to state and, if deemed advisable by a majority of the continuing directors, an opinion of a reputable investment banking firm as

to the fairness (or not) of the terms of such business combination, from the point of view of the remaining public stockholders of the Company (such investment banking firm to be selected by a majority of the continuing directors and to be paid a reasonable fee for their services by the Company upon receipt of such opinion).

The provisions of this Article 12 shall also apply to a business combination with any other entity which at any time has been the beneficial owner, directly or indirectly, of 30% or more the outstanding shares of stock of the Company entitled to vote in elections of directors considered for the purposes of this Article 12 as one class, notwithstanding the fact that such other entity has reduced its shareholdings below 30% if, as of the record date for the determination of stockholders entitled to notice of and to vote on the business combination, such other entity is an "affiliate" of the Company (as hereinafter defined).

B. As used in this Article 12, (a) the term "other entity" shall include any corporation, person or other entity and any other entity with which it or its "affiliate" or "associate" (as defined below) has any agreement, arrangement or understanding, directly or indirectly, for the purpose of acquiring, holding, voting or disposing of stock of the

Company, or which is its "affiliate" or"associate" as those terms are defined in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934 as in effect on March 31, 1984, together with the successors and assigns of such persons in any transaction or series of transactions not involving a public offering of the Company's stock within the meaning of the Securities Act of 1933; provided, however, that an "other entity" shall not in any event include any entity owning 30% or more of the outstanding shares of stock of the Company entitled to vote in the elections of directors considered for purposes of this Article 12 as one class at the time of the adoption of this Article 12, any subsidiary of such entity, or any corporation succeeding to the business of such entity if (i) such business as conducted immediately prior to such succession is, immediately after such succession, the sole business of such successor, and (ii) the stockholders of the corporation conducting such business immediately prior to such succession are, immediately after such succession, the sole stockholders of the successor corporation or of a corporation owning all of the capital stock of such successor corporation; (b) an other entity shall be deemed to be the beneficial owner of any shares of stock of the Company which the other entity (as defined above) has the right to acquire pursuant to any agreement, arrangement or understanding or upon exercise of conversion rights, warrants or options, or otherwise; (c) the outstanding shares of any class of stock of the Company shall include shares deemed owned through application of clause;

(b) above but shall not include any other shares which may be issuable pursuant to any agreement, or upon exercise of conversion rights, warrants or options, or otherwise; (d) the term "business combination" shall include any merger or consolidation of the Company with or into any other entity, or the sale or lease of all or any substantial part of the assets of the Company to, or any sale or lease to the Company or any subsidiary thereof in exchange for securities of the Company of any assets (except assets having an aggregate fair market value of less than $5,000,000) of, any other entity; (e) the term "continuing director" shall mean a person who was a member of the Board of Directors of the Company elected by stockholders prior to the time that such other entity acquired in excess of 10% of the stock of the Company entitled to vote in the election of directors, or a person recommended to succeed a continuing director by a majority of continuing directors; and (f) for the purposes of subparagraphs A(a) and (b) of this Article 12 the

term "other consideration to be received" shall mean, in addition to other consideration received, if any, capital stock of the Company retained by its existing public stockholders in the event of a business combination with such other entity in which the Company is the surviving corporation; and (g) the exclusion of an entity from constituting an "other entity" under subparagraph B(a) of this Article 12 shall only continue to be effective if such entity does not thereafter decrease such ownership percentage to less than 30% (other than through the Company's issuance of its capital stock) and subsequently reacquire such a 30% interest and provided that, upon any such decrease and subsequent reacquisition, such entity shall be deemed for purposes of this Article 12 to have first become an "other entity" and to first have acquired capital stock of the Company on the date of such reacquisition.

C. A majority of the continuing directors shall have the power and duty to determine for the purposes of this Article 12 on the basis of information known to them whether (a) such other entity beneficially owns 30% or more of the outstanding shares of stock of the Company entitled to vote in elections of directors; (b) an other entity is an "affiliate" or "associate" (as defined above) of another; (c) an other entity has an agreement, arrangement or understanding with another; or (d) the assets being acquired by the Company, or any subsidiary thereof, have an aggregate fair market value of less than $5,000,000.

D. No amendment to the Certificate of Incorporation of the Company shall amend or repeal any of the provisions of this Article 12, unless the amendment effecting such amendment or repeal shall receive the affirmative vote of the holders of 95% of all shares of stock of the corporation entitled to vote in elections of

directors, considered for the purposes of this Article 12 as one class; provided that this paragraph D shall not apply to, and such 95% vote shall not be required for, any amendment or repeal unanimously recommended to the stockholders by the Board of Directors of the Company if all of such directors are persons who would be eligible to serve as "continuing directors" within the meaning of paragraph B of this Article 12.

E. Nothing contained in this Article 12 shall be construed to relieve any other entity from any fiduciary obligation imposed by law.

13. A director of the Company shall not be personally liable to the Company or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (a) for any breach of the director's duty of loyalty to the Company or its stockholders, (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (c) under Section 174 of the Delaware General Corporation Law, or (d) for any transaction from which the director derived an improper personal benefit. If the Delaware General Corporation Law hereafter is amended to authorize the further limitation or elimination of the liability of directors, then the liability of a director of the Company, in addition to the limitation on liability provided herein, shall be limited to the fullest extent permitted by the Delaware General Corporation Law, as amended. Any repeal or modification of this Article 13 shall not increase the liability of any director of the Company for any act or occurrence taking place prior to such repeal or modification, or otherwise adversely affect any right or protection of a director of the Company existing at the time of such repeal or modification.

14. A. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a director, officer or employee of the Company, whether the basis of such proceeding is alleged action in an official capacity as a director, officer or employee or in any other capacity while serving as a director, officer, or employee, shall be indemnified and held harmless by the Company to the fullest extent permitted by the Delaware General Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification rights than such law permitted the company to provide prior to such amendment), against all expense, liability and loss (including, without limitation, attorneys' fees, judgments, fines and amounts paid in settlement) reasonably incurred or suffered by such person in connection therewith, and such indemnification shall continue as to a person who has ceased

to be a director, officer or employee and shall inure to the benefit of such person's heirs, executors and administrators. The Company shall indemnify a director, officer or employee in connection with an action, suit or proceeding (other than an action, suit or proceeding to enforce indemnification rights provided for

herein or elsewhere) initiated by such Director, officer or employee only if such action, suit or proceeding was authorized by the Board of Directors. The right to indemnification conferred in this Paragraph A shall be a contract right and shall include the right to be paid by the Company the expenses incurred in defending any action, suit or proceeding in advance of its final disposition; provided, however, that, if the Delaware General Corporation Law requires, the payment of such expenses incurred by a director or officer in such person's capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person) in advance of the final disposition of an action, suit or proceeding shall be made only upon delivery to the Company of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal that such director or officer is not entitled to be indemnified for such expenses under this Article 14 or otherwise.

B. The Company may, to the extent authorized from time to time by the Board of Directors, provide indemnification and the advancement of expenses, to any agent of the Company and to any person who is or was serving at the request of the Company as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, to such extent and to such effect as the Board of Directors shall determine to be appropriate and permitted by applicable law, as the same exists or may hereafter be amended.

C. The rights to indemnification and to the advancement of expenses conferred in this Article 14 shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation or bylaws of the Company, agreement, vote of stockholders or disinterested directors or otherwise.

FOURTH: This Restated Certificate of Incorporation was duly adopted by the Board of Directors in accordance with Section 245 of the General Corporation Law of Delaware.

IN WITNESS WHEREOF, said MascoTech, Inc. has caused this Certificate to be signed by Richard A. Manoogian, its Chairman of the Board, this 22nd day of September, 1998.

MascoTech, Inc.

By /s/Richard A. Manoogian

Richard A. Manoogian
Chairman of the Board

STATE OF MICHIGAN)
) ss
COUNTY OF WAYNE)

I, Maxine Crandall, a notary public, do hereby certify that on this 22nd day of September, 1998, personally appeared before me Richard A. Manoogian, who, being by me first duly sworn, declared that he is the Chairman of the Board that he signed the foregoing document as the act and deed of said corporation, and that the statements therein contained are true.

/s/Maxine E.Crandall

Notary Public
Wayne County, Michigan
My commission expires October 19, 2000

EXHIBIT 4.a

[CONFORMED COPY]

MASCO INDUSTRIES, INC.

AND

MORGAN GUARANTY TRUST COMPANY OF NEW YORK,

TRUSTEE

_____

INDENTURE

Dated as of November 1, 1986

_____

TIE-SHEET*

of provisions of Trust Indenture Act of 1939 with Indenture dated as of November 1, 1986 between Masco Industries, Inc. and Morgan Guaranty Trust Company of New York, Trustee:

Section of Act	Section of Indenture
310(a)(1) and (2)	8.09

310(a)(3) and (4)	Not applicable
310(b)	8.08 and 8.10 (a)(b) and (d)
310(c)	Not applicable
311(a) and (b)	8.13
311(c)	Not applicable
312(a)	6.01 and 6.02(a)
312(b) and (c)	6.02(b) and (c)
313(a)	6.04(a)
313(b)(1)	Not applicable
313(b)(2)	6.04(b)
313(c)	6.04(c)
313(d)	6.04(d)
314(a)	6.03
314(b)	Not applicable
314(c)(1) and (2)	15.05
314(c)(3)	Not applicable
314(d)	Not applicable
314(e)	15.05
314(f)	Not applicable
315(a)(c) and (d)	8.01
315(b)	7.08
315(e)	7.09
316(a)(1)	7.01 and 7.07
316(a)(2)	Omitted
316(a) last sentence	9.04
316(b)	7.04
317(a)	7.02
317(b)	5.04(a)
318(a)	15.07

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*This tie-sheet is not part of the Indenture as executed.

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*This table of contents shall not, for any purpose, be deemed to be part of the Indenture.

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THIS INDENTURE, dated as of November 1, 1986, between MASCO INDUSTRIES, INC., a Delaware corporation (hereinafter sometimes called the "Company"), and MORGAN GUARANTY TRUST COMPANY OF NEW YORK, trustee (hereinafter sometimes called the "Trustee").

WITNESSETH:

WHEREAS, for its lawful corporate purposes, the Company has duly authorized the issue from time to time of its convertible and non-convertible subordinated debentures, notes or other evidence of indebtedness to be issued in one or more series (the "Securities") up to such principal amount or amounts as may from time to time be authorized in accordance with the terms of this Indenture and, to provide the terms and conditions upon which the Securities are to be authenticated, issued and delivered, the Company has duly authorized the execution of this Indenture; and

WHEREAS, all acts and things necessary to make this Indenture a valid agreement according to its terms, have been done and performed;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

In consideration of the premises, and the purchase of the Securities by the holders thereof, the Company covenants and agrees with the Trustee for the equal and proportionate benefit of the respective holders from time to time of the Securities or of a series thereof, as follows:

ARTICLE ONE.

DEFINITIONS.

SECTION 1.01 Definitions. The terms defined in this Section 1.01 (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Indenture and of any indenture supplemental hereto shall have the respective means specified in this Section 1.01. all others terms used in this Indenture which are defined in the Trust Indenture Act of 1939, as amended, or which are by reference therein defined in the Securities Act of 1933, as amended, shall (except as herein otherwise expressly provided or unless the context otherwise requires) have the meanings assigned to such terms in said Trust Indenture Act and in said Securities Act as in force at the date of this Indenture as originally executed. All accounting terms used herein and not expressly defined shall have the meanings assigned to such terms in accordance with generally accepted accounting principles and the term "generally accepted accounting principles" means such accounting

principles as are generally accepted at the time of any computation. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

Authenticating Agent:

The term "Authenticating Agent" shall mean any agent or agents of the Trustee which at the time shall be appointed and acting pursuant to Section 8.14.

Board of Directors:

The term "Board of Directors" shall mean the Board of Directors of the Company or any committee of such Board duly authorized to act for it hereunder.

Common Stock:

The term "Common Stock" shall mean the Common Stock of the Company, $1 par value, at the date of this Indenture, as such Common Stock may be changed or reclassified from time to time.

Company:

The term "Company" shall mean Masco Industries, Inc., a Delaware corporation, and, subject to the provisions of Article Twelve, shall include its successors and assigns.

Consolidated Net Earnings:

The term "Consolidate Net Earnings" shall mean the consolidate net earnings (or loss) of the Company and its consolidated Subsidiaries determined on a consolidated basis in accordance with generally accepted accounting principles, after deduction of all charges, including, without limitation, operating expenses, interest amortization of deferred charges, depreciation and taxes (including income and other profits taxes).

Convertible Security or Convertible Securities:

The terms "Convertible Security" or "Convertible Securities" shall mean any series of Securities designated convertible by the resolutions or supplemental indentures referred to in Section 2.03.

Event of Default:

The term "Event of Default" shall mean any event specified in Section 7.01, continued for the period of time, if any, and after the giving of the notice, if any, therein designated.

Indenture:

The term "Indenture" shall mean this instrument as originally executed or,if amended or supplemented as herein provided, as so amended or supplemented, or both, and shall include the form and

terms of particular series of Securities established as contemplated hereunder; provided, however, that if at any time more than one Person is acting as Trustee under this instrument, "Indenture" shall mean with respect to any one or more series of Securities for which such Person is Trustee, this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof and shall include the terms of particular series of Securities for which such Person is Trustee established as contemplated by Section 2.03, exclusive, however, of any provisions or terms which relate solely to other series of Securities for which such Person is not Trustee, regardless of when such terms or provisions were adopted, and exclusive any provisions or terms adopted by means of one or more indentures supplemental hereto executed and delivered after such Person had become such Trustee but to which such Person, as such Trustee, was not a party.

Officers' Certificate:

The term "Officers' Certificate" shall mean a certificate signed by the Chairman of the Board, the President or any Vice President, and by the Treasurer, an Assistant Treasurer, the Secretary of an Assistant Secretary of the Company and delivered to the Trustee. Each such certificate shall include the statements provided for in Section 15.05 if and to the extent required by the provisions of such Section.

Opinion of Counsel:

The term "Opinion of Counsel" shall mean an opinion in writing signed by legal counsel, who may be an employee of or counsel to the Company, or may be other counsel acceptable to the Trustee. Each such opinion shall include the statements provided for in Section 15.05 if an to the extent required by the provisions of such Section.

Original Issue Date:

The term "Original Issue Date" or "original issue date" of any Security (or any portion thereof) shall mean the earlier of (a) the date of such Security or (b) the date of any Security (or portion thereof) for which such Security was issued (directly or indirectly) on registration of transfer, exchange or substitution.

Person:

The term "Person" shall mean any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

Principal Office of the Trustee:

The term "principal office of the Trustee", or other similar term, shall mean the principal office of the Trustee at which at any particular time its corporate trust business shall principally be administered, which office may be in more than one location within the same city.

Responsible Officer:

The term "Responsible Officer", when used with respect to the Trustee, means any officer of the Trustee authorized to administer its corporate trust matters.

Security or Securities; Outstanding:

The terms "Security" or "Securities" shall have the meaning stated in the first recital of this Indenture and more particularly means any security or securities, as the case may be, authenticated and delivered under this Indenture, whether reconvertible or non-convertible into shares of Common Stock; provided, however, that if at any time there is more than one Person acting as Trustee under this instrument, "Security" or "Securities" with respect to the Indenture as to which such Person is Trustee shall have the meaning stated in the first recital of this instrument and shall more particularly mean any securities, as the case may be, authenticated and delivered under this instrument, whether convertible or non-convertible into shares of Common Stock, exclusive, however, of securities of any series as to which such Person is not Trustee.

The term "outstanding" (except as otherwise provided in Section 8.08), when used with reference to Securities, shall, subject to the provisions of Section 9.04, mean, as of any particular time, all Securities authenticated and delivered by the Trustee or the authenticating Agent under this Indenture, except

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

(b) Securities, or portions thereof, for the payment or redemption of which moneys is in the necessary amount shall have been deposited in trust with the Trustee or with any paying agent (other than the Company) or shall have been set aside and segregated in trust by the Company (if the Company shall act as its own paying agent); provided that, if such Securities, or portions thereof, are to be redeemed prior to maturity thereof, notice of such redemption shall have been given as in Article Sixteen provided or provisions satisfactory to the Trustee shall have been made for giving such notice; and

(c) Securities paid or in lieu of or in substitution for which other Securities shall have been authenticated and delivered pursuant to the terms of Section 2.08 unless proof satisfactory to the Company and the Trustee is presented that any such Securities are held by bona fide holders in due course.

Securityholder:

The terms "Securityholder", "holder of Securities" or "Holder", or other similar terms, shall mean any person in whose name at the time a particular Security is registered on the register kept by the Company or the Trustee for that purpose in accordance with the terms hereof.

Senior Indebtedness:

The term "Senior Indebtedness" shall mean (a) all indebtedness of the Company for money borrowed (including without limitation obligations of the Company in respect of overdrafts, foreign exchange contracts, letters of credit, bankers' acceptance, or any loan or advance from a bank whether or not evidenced by promissory notes or other instruments) or incurred in connection with the acquisition of property, whether outstanding on the date of execution of this Indenture or thereafter created, assumed or incurred, except such indebtedness as is by its terms expressly stated to be not superior in right of payment to the Securities or to rank pari passu with the Securities and (b) any deferrals, renewals or extensions of any such Senior Indebtedness, or debentures, notes or

other evidences of indebtedness issued in exchange for such Senior Indebtedness. The term "indebtedness of the Company for money borrowed" as used in the foregoing sentence shall mean any obligation of the Company (and any guaranty, endorsement or other contingent obligation of the Company in respect of, or to purchase or otherwise acquire, any obligation of another) for borrowed money evidenced by notes or other written obligations, and any indebtedness of the Company evidenced by bonds, notes or debentures or other similar instruments. The term "indebtedness of the Company incurred in connection with the acquisition of property" as used in the first sentence of this definition shall mean any purchase money obligation (whether or not secured by any lien or other security interest) created or assumed as all or part of the consideration for the acquisition of property whether by purchase, merger, consolidation or otherwise (but not including any account payable or any other obligation created or assumed by the Company in the ordinary course of business in connection with the obtaining materials or services).

Subsidiary:

The term "Subsidiary" shall mean any corporation of which at least a majority of the outstanding stock having by the terms thereof ordinary voting power to elect a majority of the board of directors of such corporation (excluding in the computation of such percentage stock of any class or classes of such corporation which has or might have voting power by reason of the happening of any contingency) is at the time directly or indirectly owned or controlled by the Company, or by one or more Subsidiaries, or by the Company and one or more Subsidiaries.

Trustee:

The term "Trustee" shall mean the Person identified as "Trustee" in the first paragraph of this instrument until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean or include each Person who is then a Trustee hereunder; provided, however, that if at any time there is more than one such Person, "Trustee" as used with respect to the Securities of any series shall mean only the Trustee with respect to Securities of that series.

Trust Indenture Act of 1939:

The term "Trust Indenture Act of 1939" shall mean the Trust Indenture of Act of 1939 as in force at the date of execution of this Indenture, except as provided in Sections 2.03 and 11.03.

ARTICLE TWO.

SECURITIES.

SECTION 2.01. Forms Generally. The Securities of each series shall be in substantially the form as shall be established by or pursuant to a resolution of the Board of Directors or in one or more indentures supplemental hereto, in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with any law or with any rules made pursuant thereto or with any rules of any securities exchange or all as may, consistently herewith, be determined by the officers executing such Securities, as evidenced by their execution of the Securities.

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

SECTION 2.02 Form of Trustee's Certificate of Authentication. The Trustee's certificate of authentication on all Securities 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.

MORGAN GUARANTY TRUST
COMPANY OF NEW YORK,
as Trustee

By
Authorized Officer

SECTION 2.03. Amount Unlimited; Issuable in Series. The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is unlimited.

The Securities shall rank equally and pari passu and may be issued in one or more series. There shall be established in or pursuant to a resolution of the Board of Directors 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 all other Securities);

(2) any limit upon the aggregate principal amount of the Securities of the series which may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of the series pursuant to Section 2.07, 2.08, 2.09, 11.04 or 16.03);

(3) the date or dates on which the principal of an premium, if any, on the Securities of the series is payable;

(4) the rate or rates at which the Securities of the series shall bear interest, or the method by which such interest may be determined, the date or dates from which such interest shall accrue, the interest payment dates on which such interest shall be payable and the record dates for the determination of holders to whom interest is payable;

(5) the place or places where the principal of, and premium, if any, and interest on Securities of the series shall be payable;

(6) the price or prices at which, the period or periods within 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, pursuant to any Sinking Fund or otherwise;

(7) 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 Securityholder thereof and the price or prices at which and the period or periods within 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;

(8) the right, if any, of the Company to discharge the Indenture as to the Securities of the series pursuant to Section 13.01(c) or to limit the Indenture as to the Securities of the series pursuant to the last sentence of Section 13.01 (and if any sinking fund is applicable to such series, the obligations of such sinking fund shall survive and be provided for upon the discharge of the Indenture pursuant to Section 13.01(c) or the limitation of the Indenture pursuant to the last sentence of Section 13.01);

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

(10) any Events of Default with respect to the Securities of a particular

series, in addition to or in lieu of those set forth herein;

(11) any trustees, authenticating or paying agents, warrant agents, transfer agents, conversion agents (if such Securities are Convertible Securities) or registrar with respect to the Securities of such series;

(12) the applicable initial conversion price if such Securities are Convertible Securities, the dates on or subsequent to which such Securities are convertible and the date such Securities cease to be convertible; and

(13) any other terms of the series (which terms shall conform to the requirements of the Trust Indenture Act of 1939 as then in effect, shall not adversely affect the rights of the Securityholders of any other Securities then outstanding and shall not be inconsistent with the provisions of this Indenture).

All Securities of any one series shall be substantially identical except as to denomination and except as may otherwise be

provided in or pursuant to such resolution of the Board of Directors or in any such indenture supplemental hereto.

SECTION 2.04. Authentication and Delivery. 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 thereupon authenticate and deliver said Securities to or upon the written order of the Company, signed by its Chairman of the Board of Directors, President, any Vice President, its Treasurer or Assistant Treasurer or its Secretary or an Assistant Secretary without any further action by the Company hereunder. In authenticating such Securities, the Trustee shall be entitled to receive, and (subject to Sections 8.01 and 8.02) shall be fully protected in relying upon:

(1) a copy of any resolution or resolutions of the Board of Directors relating thereto and, if applicable, an appropriate record of any action taken pursuant to such resolution, in each case certified by the Secretary or an Assistant Secretary of the Company;

(2) an executed supplemental indenture, if any;

(3) an Officers' Certificate prepared in accordance with Section 15.05 setting forth the form and terms of the Securities as required pursuant to Sections 2.01 and 2.03, respectively; and

(4) an Opinion of Counsel prepared in accordance with Section 15.05 which shall also state

(a) that the form of such Securities has been established by or pursuant to a resolution of the Board of Directors or by a supplemental indenture as permitted by Section 2.01 in conformity with the provisions of this Indenture;

(b) that the terms of such Securities have been established by or pursuant to a resolution of the Board of Directors or by a supplemental indenture as permitted by Section 2.03 in conformity with the provisions of this Indenture;

(c) that such Securities, when authenticated and delivered by the Trustee and issued by the Company in the manner and subject to any conditions specified in such Opinion of Counsel, will constitute valid and legally binding obligations of the Company;

(d) that all laws and requirements in respect of the execution and delivery by the Company of the Securities have been complied with and that authentication and delivery of the Securities by the Trustee will not violate the terms of this Indenture; and

(e) such other matters as the Trustee may reasonably request.

The Trustee shall have the right to decline to authenticate and deliver any Securities under this Section if the Trustee, being advised by counsel, determines that such action may not lawfully be taken or if the Trustee in good faith by its board of directors or trustees, executive committee, or a trust committee of directors or trustees and/or vice presidents shall determine that such action would expose the Trustee to personal liability to existing holders.

SECTION 2.05. Date and Denomination of Securities. The Securities shall be issuable as registered Securities without coupons and in such denominations as shall be specified as contemplated by Section 2.03. In the absence of any such specification with respect to the Securities of any series, the Securities of such series shall be issuable in the denominations of $1,000 and any multiple thereof. The Securities shall be numbered, lettered, or otherwise distinguished in such manner or in accordance with such plans as the officers of the Company executing the same may determine with the approval of the Trustee as evidenced by the execution and authentication thereof.

Every Security shall be dated the date of its authentication, shall bear interest from such date and shall be payable on such dates, in each case, as contemplated by Section 2.03.

The person in whose name any Security of any series is registered at the close of business on any record date (as hereinafter defined) with respect to any interest payment date shall be entitled to receive the interest payable on such interest payment date notwithstanding the cancellation of such Security upon any transfer, exchange or conversion subsequent to the record date and prior to such interest payment date; provided, however, that if and to the extent the Company shall default in the payment of the interest due on such interest payment date, such defaulted interest shall be paid to the persons in whose names outstanding Securities are registered on a subsequent record date established by notice given by mail by or on behalf of the Company to the holders of Securities and the Trustee not less than 15 days preceding such subsequent record date, such subsequent record date to be not less than ten days preceding the date of payment of such defaulted interest. The term "record date" as used in this Section with respect to any interest payment date shall mean if such interest payment date is the first day of a calendar month, the fifteenth day of the next preceding calendar month and shall mean, if such interest payment date is the fifteenth

day of a calendar month, the first day of such calendar month, whether or not such record date is a business day.

SECTION 2.06. Execution of Securities. The Securities shall be signed in the name and on behalf of the Company by the facsimile signature of its Chairman of the Board or its President and imprinted with a facsimile of its corporate seal, and attested by the facsimile signature of its Secretary or an Assistant Secretary. Each such signature upon the Securities may be in the form of a facsimile signature of any such officer and may be imprinted or otherwise reproduced on the Securities and for that purpose the Company may adopt and use the facsimile signature of any person who has been or is such officer, and in case any such officer of the Company signing any of the Securities shall cease to be such officer before the Securities so signed shall have been authenticated and delivered by the Trustee, or disposed of by the Company, such securities nevertheless may be authenticated and delivered or disposed of as though such person had not ceased to be such officer of the Company. Only such Securities as shall bear thereon a certificate of authentication substantially in the form hereinbefore recited, executed by the Trustee or the Authenticating Agent, shall be entitled to the benefits of this Indenture or be valid or obligatory for any purpose. Such certificate by the Trustee or the Authenticating Agent upon any Security executed by the Company shall be conclusive evidence that the Security

so authenticated has been duly authenticated and delivered hereunder and that the holder is entitled to the benefits of this Indenture.

SECTION 2.07. Exchange and Registration of Transfer of Securities. Securities of any series may be exchanged for a like aggregate principal amount of Securities of the same series of other authorized denominations. Securities to be exchanged may be surrendered at the principal office of the Trustee or at any office or agency to be maintained by the Company for such purpose as provided in Section 5.02, and the Company or the Trustee shall execute and register and the Trustee or the Authenticating Agent shall authenticate and deliver in exchange therefor the Security or Securities which the Securityholder making the exchange shall be entitled to receive. Upon due presentment for registration of transfer of any Security of any series at the principal office of the Trustee or at any office or agency of the Company maintained for such purpose as provided in Section 5.02, the Company or the Trustee shall execute and register and the Trustee or the Authenticating Agent shall authenticate and deliver in the name of the transferee or transferees a new Security or Securities of the same series for a like aggregate principal amount. Registration or registration of transfer of any Security by the Trustee or by any agent of the Company appointed pursuant to Section 5.02, and delivery of such Security, shall be deemed to complete the registration or registration of transfer of such Security.

The Company or the Trustee shall keep, at the principal office of the Trustee, a register for each series of Securities issued hereunder in which, subject to such reasonable regulations as it may prescribe, the Company or the Trustee shall register all Securities and shall register the transfer of all Securities as in this Article Two provided. Such register shall be in written form or in any other form capable of being converted into written form within a reasonable time.

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

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

The Company or the Trustee shall not be required to exchange or register a transfer of (a) any Security of a series for a period of 15 days next preceding the date of selection of Securities of such series for redemption, or (b) any Securities of any series selected, called or being called for redemption in whole or in part, except, in the case of any Securities of any series to be redeemed in part, the portion thereof not so to be redeemed.

SECTION 2.08. Mutilated, Destroyed, Lost or Stolen Securities. In case any temporary or definitive Security shall become mutilated or be destroyed, lost or stolen, the Company in the case of a mutilated Security shall, and in the case of a lost, stolen or destroyed Security may in its discretion, execute, and upon its request the Trustee shall authenticate and deliver, a new Security of the same series bearing a number not contemporaneously outstanding, in exchange and substitution for the mutilated Security, or in lieu of and in substitution for the Security so destroyed, lost or stolen. In every case the applicant for a substituted Security shall furnish to the Company and the Trustee such security or indemnity as may be required by them to save each of them harmless, and, in every case of destruction, loss or theft, the applicant shall also furnish to the Company and the Trustee evidence to their satisfaction of the destruction, loss or theft of such Security and of the ownership thereof.

The Trustee may authenticate any such substituted Security and deliver the same upon the written request or authorization of any officer of the Company. Upon the issuance of any substituted Security, the Company may require the payment of a sum sufficient

to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses connected therewith an in additional further sum not exceeding two dollars for each Security so issued in substitution. In case any Security which has matured or is about to mature or has been called for redemption in full shall become mutilated or be destroyed, lost or stolen, the Company may, instead of issuing a substitute Security, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Security) if the applicant for such payment shall furnish to the Company and the Trustee such security or indemnity as may be required by them to save each of them harmless and, in case of destruction, loss or theft, evidence satisfactory to the Company and to the Trustee of the destruction, loss or theft of such Security and of the ownership thereof.

Every substituted Security of any series issued pursuant to the provisions of this Section 2.08 by virtue of the fact that any such Security is destroyed, lost or stolen shall constitute an additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Security shall be found at

any time, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Securities of the same series duly issued hereunder. All Securities shall be held and owned upon the express condition that, to the extent permitted by applicable law, the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities and shall preclude any and all other rights or remedies notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

SECTION 2.09. Temporary Securities. Pending the preparation of definitive Securities of any series the Company may execute and the Trustee shall authenticate and deliver temporary Securities (printed or lithographed). Temporary Securities shall be issuable in any authorized denomination, and substantially in the form of the definitive Securities but with such omissions, insertions and variations as may be appropriate for temporary Securities, all as may be determined by the Company. Every such temporary Security shall be executed by the Company and be authenticated by the Trustee upon the same conditions and in substantially the same manner, and with the same effect, as the definitive Securities. Without unreasonable delay the Company will execute and deliver to the Trustee or the Authenticating Agent definitive Securities and thereupon any or all temporary Securities of such series may be surrendered in exchange therefor, at the principal office of the Trustee or at any office or agency maintained by the Company for such purpose as provided in Section 5.02, and the Trustee or the Authenticating Agent shall authenticate and deliver in exchange for such temporary Securities a like aggregate principal amount of such definitive Securities. Such exchange shall be made by the Company

at its own expense and without any charge therefor except that in case of any such exchange involving a registration of transfer the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto. Until so exchanged, the temporary Securities of any series shall in all respects be entitled to the same benefits under this Indenture as definitive Securities of the same series authenticated and delivered hereunder.

Section 2.10. Cancellation of Securities Paid, etc. All Securities surrendered for the purpose of payment, redemption, exchange or registration of transfer shall, if surrendered to the Company or any paying agent, be surrendered to the Trustee and promptly cancelled by it, or, if surrendered to the Trustee or any Authenticating Agent, shall be promptly cancelled by it, and no Securities shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Indenture. All Securities cancelled by any

Authenticating Agent shall be delivered to the Trustee. The Trustee shall destroy cancelled Securities and shall deliver a certificate of such destruction to the Company. If the Company shall acquire any of the Securities, however, such acquisition shall not operate as a redemption or satisfaction of the indebtedness represented by such Securities unless and until the same are surrendered to the Trustee for cancellation.

ARTICLE THREE.

Conversion of Securities.

SECTION 3.01. Conversion Privilege. Subject to and upon compliance with the provisions of this Article Three, the holder of any Convertible Security shall have the right, at his option, at any date on or subsequent to which such Convertible Security is convertible up to the date on which such Convertible Security ceases to be convertible (or if such Convertible Security is called for redemption prior to such date such Convertible Security ceases to be convertible then, in respect of such Convertible Security, to and including but not after the close of business on the last business day preceding the date fixed for such redemption, unless the Company shall default in the payment due upon redemption thereof) as set forth in the resolutions or supplemental indenture relating to such series of Convertible Securities referred to in Section 2.03 to convert the principal amount of such Convertible Security into the whole number of fully paid and non-assessable shares of Common Stock obtained by dividing the principal amount of the Convertible Security to be converted by the Conversion Price for such series.

SECTION 3.02. Manner of Exercise of Conversion Privilege. In order to exercise the conversion privilege, the holder of any Convertible Security to be converted shall surrender such Convertible Security at the office or agency to be maintained by

the Company pursuant to Section 5.02 for the conversion of Convertible Securities, and shall give written notice to the Company in the form provided on the Security at such office or agency that the holder elects to convert such Convertible Security and, if so required by the Company, accompanied by instruments of transfer, in form satisfactory to the Company and to the Trustee, duly executed by the Holder or his duly authorized attorney in writing. Convertible Securities, of any series, surrendered for conversion during the period from the close of business on any record date (as defined in Section 2.05) for the payment of interest on such series of Convertible Securities to the opening of business on the interest payment date (as defined in Section 2.05) of such series for such interest shall (except in the case of Convertible

Securities which have been called for redemption on a redemption date within such period) be accompanied by payment in New York Clearing House funds or other funds acceptable to the Company of an amount equal to the interest payable on such interest payment date on the principal amount of Convertible Securities being surrendered for conversion. Said notice shall state the name or names (with addresses) in which the certificate or certificates for shares of Common Stock which shall be issuable on such conversion shall be issued. As promptly as practicable after the surrender of such Convertible Security and the receipt of such notice, as aforesaid, the Company shall, subject to the provisions of Section 3.08, issue and deliver at such office or agency to such holder, or on his written order, a certificate or certificates for the number of full shares of Common Stock issuable on such conversion of Convertible Securities in accordance with the provisions of this Article and cash, as provided in Section 3.03, in respect of any fraction of a share of Common Stock otherwise issuable upon such conversion. Such conversion shall be deemed to have been effected immediately prior to the close of business on the date (herein called the "Date of Conversion") on which such notice shall have been received by the Company and such Convertible Security shall have been surrendered as aforesaid, and the person or persons in whose name or names any certificate or certificates for shares of Common Stock shall be issuable upon such conversion shall be deemed to have become on the Date of Conversion the holder or holders of record of the shares represented thereby; provided, however, that any such surrender on any date when the stock transfer books of the Company shall be closed shall constitute the person or persons in whose name or names the certificate or certificates for such shares are to be issued as the record holder or holders thereof for all purposes at the opening of business on the next succeeding day on which such stock transfer books are open but such conversion shall nevertheless be at the conversion price in effect at the close of business on the date when such Convertible Security shall have been so surrendered with the conversion notice, and such Convertible Security shall cease to bear interest on such date. Subject to the foregoing and to the last paragraph of Section 2.05, no payment or adjustment shall be made upon conversion on account of any interest accrued on any

Convertible Security converted or for dividends or distributions on any shares of Common Stock issued upon conversion of any Convertible Security.

SECTION 3.03. Fractional Shares. No fractional shares of Common Stock shall be issued upon conversions of Convertible Securities. If more than one Convertible Security shall be surrendered for conversion at one time by the same holder, the number of full shares which shall be issuable upon conversion shall be computed on the basis of the aggregate principal amount of the Convertible Securities so surrendered. Instead of any fractional interest in a share of

Common Stock which would otherwise be issuable upon conversion of any Convertible Security or Convertible Securities, the Company shall pay a cash adjustment in respect of such fractional interest to the nearest one-hundredth of a share in an amount equal to the market value of such fractional interest on the Date of Conversion. In such event, the market value of a share of Common Stock shall be (i) if the Common Stock is listed or admitted to trading on a national securities exchange, the closing price on the NYSE-Consolidated Tape (or any successor composite tape reporting transactions on national securities exchanges) or, if such a composite tape shall not be in use or shall not report transactions in the Common Stock, the last reported sales price regular way on the principal national securities exchange on which the Common Stock is listed or admitted to trading (which shall be the national securities exchange on which the greatest number of shares of the Common Stock has been traded during the preceding 30 consecutive trading days), or, if there is no transaction on any such day in any such situation, the mean of the bid and asked prices on such day or (ii), if the Common Stock is not listed or admitted to trading on any such exchange, the last reported sale price, if reported, or, if no sale occurs on such date or the last reported sale price is not available, the average of the closing bid and asked prices as reported by the National Association of Securities Dealers Automated Quotation System (NASDAQ) or a similar source selected from time to time by the Company for the purpose.

SECTION 3.04. Conversion Price. The Conversion Price for such series of Convertible Securities shall be as specified in the resolution or supplemental indenture or indentures pursuant to which such series is created referred to in Section 2.03, subject to adjustment as provided in this Article Three.

SECTION 3.05. Adjustment of Conversion Price. The Conversion Price for each series shall be adjusted from time to time as follows:

(a) In case the Company shall, while any of the Convertible Securities are outstanding, (i) pay a dividend or make a distribution with respect to its Common Stock in shares of its capital stock (whether shares of Common Stock or of capital stock of any other class), (ii) subdivide its

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outstanding shares of Common Stock, (iii) combine its outstanding shares of Common Stock into a smaller number of shares, or (iv) issue by reclassification of its shares of Common Stock any shares of capital stock of the Company, the conversion privilege and the Conversion Price for each series of Convertible Securities in effect immediately prior to such action shall be adjusted so that the holder of any Convertible Security

thereafter surrendered for conversion shall be entitled to receive the number of shares of capital stock of the Company which he would have owned immediately following such action had such Convertible Security been converted immediately prior thereto. An adjustment made pursuant to this subsection (a) shall become effective immediately after the record date in the case of a dividend and shall become effective immediately after the effective date in the case of a subdivision, combination or reclassification. If, as a result of an adjustment made pursuant to this subsection (a), the holder of any Convertible Security thereafter surrendered for conversion shall become entitled to receive shares of two or more classes of capital stock of the Company, the Board of Directors (whose determination shall be conclusive and shall be described in a resolution filed with the Trustee) shall determine the allocation of the adjusted Conversion Price for each series of Convertible Securities between or among shares of such classes of capital stock.

(b) In case the Company shall, while any of the Convertible Securities are outstanding, issue rights or warrants to all holders of its Common Stock entitling them (for a period expiring within forty-five days after the record date mentioned below) to subscribe for or purchase shares of Common Stock at a price per share less than the current market price per share (as determined pursuant to subsection (d) below) on the record date mentioned below, the Conversion Price for each series of Convertible Securities of the Common Stock shall be adjusted so that the same shall equal the price determined by multiplying the Conversion Price for such series in effect immediately prior to the date of issuance of such rights or warrants by a fraction of which the numerator shall be the number of shares of Common Stock outstanding on the date of issuance of such rights or warrants plus the number of shares which the aggregate offering price of the total number of shares so offered would purchase at such current market price, and of which the denominator shall be the number of shares of Common Stock outstanding on the date of issuance of such rights or warrants plus the number of additional shares of Common Stock offered for subscription or purchase. Such adjustment shall become effective immediately after the record date for the determination of stockholders entitled to receive such rights or warrants.

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(c) In case the Company shall, while any of the Convertible Securities are outstanding, distribute to all holders of its Common Stock evidences of its indebtedness or assets (excluding any cash dividends) or rights to subscribe or warrants (excluding those referred to in subsection (b) above), then in each such case the Conversion Price for each series of Convertible Securities of the Common Stock shall be adjusted so that the

same shall equal the price determined by multiplying the Conversion Price for such series in effect immediately prior to the date of such distribution by a fraction of which the numerator shall be the current market price per share (determined as provided in subsection (d) below) of the Common Stock on he record date mentioned below less the then fair market value (as determined by the Board of Directors of the Company, whose determination shall be conclusive, and described in a resolution filed with the Trustee) of the portion of the assets or evidences of indebtedness so distributed or of such subscription rights or warrants applicable to one share of Common Stock, and the denominator shall be such current market price per share of the Common Stock. Such adjustment shall become effective immediately after the record date for the determination of stockholders entitled to receive such distribution.

(d) For the purpose of any computation under Subdivisions (b) and (c) above, the current market price per share of Common Stock at any date shall be deemed to be the average of the daily closing prices for the thirty consecutive trading days commencing forty-five trading days before the date in question. The closing price for each day shall be (i) if the Common Stock is listed or admitted to trading on a national securities exchange, the closing price on the NYSE-Consolidated Tape (or any successor composite tape reporting transactions on national securities exchanges) or, if such a composite tape shall not be in use or shall not report transactions in the Common Stock, the last reported sales price regular way on the principal national securities exchange on which the Common Stock is listed or admitted to trading (which shall be the national securities exchange on which the greatest number of shares of the Common Stock has been traded during such 30 consecutive trading days), or, if there is no transaction on any such day in any such situation, the mean of the bid and asked prices on such day or (ii) if the Common Stock is not listed or admitted to trading on any such exchange, the last reported sale price, if reported, or, if no sale occurs on such date or the last reported sale price is not available, the average of the closing bid and asked prices as reported by the National Association of Securities Dealers Automated Quotation System (NASDAQ) or a similar source selected from time to time by the Company for the purpose.

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(e) In any case in which this Section 3.05 shall require that an adjustment be made immediately following a record date, the Company may elect to defer (but only until five business days following the filing by the Company with the Trustee of the Officer's Certificate described in subsection (g) below) issuing to the holder of any Convertible Security converted after such record date the shares of Common Stock and other

capital stock of the Company issuable upon such conversion over and above the shares of Common Stock and other capital stock of the Company issuable upon such conversion only on the basis of the Conversion Price for the series of Convertible Securities which such Convertible Security is a part prior to such adjustment; and, in lieu of the shares the issuance of which is so deferred, the Company shall issue or cause its transfer agents to issue due bills or other appropriate evidence of the right to receive such shares.

(f) No adjustment in the Conversion Price for any series of Convertible Securities shall be required unless such adjustment would require in increase or decrease of at least 1% in such price; provided, however, that any adjustments which be reason of this subsection (f) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Section 3.05 shall be made to the nearest cent or to the nearest one-hundredth of a share, as the case may be.

(g) Whenever the Conversion Price for any series of Convertible Securities is adjusted as herein provided, the Company shall promptly file with the Trustee and each conversion agent an Officers' Certificate setting forth the Conversion Price for such series after such adjustment and setting forth a brief statement of the facts and calculation requiring such adjustment, which certificate shall be conclusive evidence of the correctness of such adjustment and cause a notice stating that such adjustment has been effected and the adjusted Conversion Price to be mailed to the holders of Convertible Securities of such series at their last addresses as they shall appear on the Securities register.

(h) The Company may make such reductions in the Conversion Price, in addition to those required by this Section 3.05, as it considers to be advisable in order to avoid or diminish any income tax to any holder of its Common Stock resulting from any dividend distribution of stock or issuance or rights or warrants to purchase or subscribe for stock or from any event treated as such for income tax purposes or for any other reasons.

(i) In the event that at any time as a result of an adjustment made pursuant to subsection (a) above, the holder of any Convertible Security thereafter surrendered

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for conversion shall become entitled to receive any shares of capital stock of the Company other than shares of its Common Stock, thereafter the

Conversion Price for such series of such other shares so receivable upon conversion of any convertible Securities shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to Common Stock contained in subsections (a) through (h) above, and the provisions of Sections 3.01 through 3.04 and of Sections 3.06 through 3.10 with respect to the Common Stock shall apply on like terms to any such other shares.

SECTION 3.06. Merger, Consolidation, etc. If either of the following shall occur, namely: (a) any consolidation or merger to which the Company is a party, other than a consolidation or a merger in which the Company is the continuing corporation and which does not result in any reclassification of, or change (other than a change in par value or from par value to no par value or from no par value to par value, or as a result of a subdivision or combination) in, outstanding shares of the Common Stock, or (b) any sale or conveyance to another corporation of the assets of the Company as an entirety or substantially as an entirety, then the Company, or such successor or purchasing corporation, as the case may be, shall execute and deliver to the Trustee a supplemental indenture providing that the holder of each Convertible Security then outstanding shall have the right to convert such Convertible Security into the kind and amount of shares of stock and other securities and property (including cash) receivable upon such reclassification, change, consolidation, merger, sale or conveyance by a holder of the number of shares of Common Stock issuable upon conversion of such Convertible Security immediately prior to such reclassification, change, consolidation, merger, sale or conveyance. Such supplemental indenture shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Article. The provisions of this Section 3.06 shall similarly apply to successive consolidations, mergers, sales or conveyances.

SECTION 3.07. Notices. In case, at any time while any of the Convertible Securities are outstanding,

(a) the Company shall declare a dividend (or any other distribution) on its Common Stock, excluding any cash dividends; or

(b) the Company shall authorize the issuance to all holders of its Common Stock of rights or warrants to subscribe for or purchase shares of its Common Stock or of any other subscription rights or warrants; or

(c) of any reclassification of Common Stock of the Company (other than a subdivision or combination thereof) or

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of any consolidation or merger to which the Company is a party and for which approval of any stockholders of the Company is required (except for a merger of the Company into one of its Subsidiaries solely for the purpose of changing the corporate domicile of the Company to another state of the United States and in connection with which there is no substantive change in the rights or privileges of any securities of the Company other than changes resulting from differences in the corporate statutes of the then existing and the new state of domicile), or of the sale or transfer of all or substantially all of the assets of the Company; or

(d) of the voluntary or involuntary dissolution, liquidation or winding up of the Company;

then the Company shall cause to be filed at each office or agency maintained for the purpose of conversion of the Convertible Securities pursuant to Section 5.02, and shall cause to be mailed to the holders of Convertible Securities at their last addresses as they shall appear on the Securities register, at least 10 days before the date hereinafter specified (or the earlier of the dates hereinafter specified, in the event that more than one date is specified), a notice stating (i) the date on which a record is to be taken for the purpose of such dividend, distribution, rights or warrants, or, if a record is not to be taken, the date as of which the holders of Common Stock of record to be entitled to such dividend, distribution, rights or warrants are to be determined, or (ii) the date on which any such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding up is expected to become effective, and the date as of which it is expected that holders of Common Stock of record shall be entitled to exchange their Common Stock for securities or other property (including cash), if any, deliverable upon such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding up. The failure to give or receive the notice required by this Section 3.07 or any defect therein shall not affect the legality or validity of any such dividend, distribution, right or warrant or other action.

SECTION 3.08. Taxes on Conversions. The Company will pay any and all documentary, stamp or similar taxes payable to the United States of America or any political subdivision or taxing authority thereof or therein in respect of the issue or delivery of shares of Common Stock on conversion of Convertible Securities pursuant hereto; provided, however, that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issue or delivery of shares of Common Stock in a name other than that of the holder of the Convertible Securities to be converted and no such issue or delivery shall be made unless and until the person requesting such issue or delivery has paid to the Company the amount of any such tax or has established, to the satisfaction of the Company, that such tax has been paid.

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SECTION 3.09. Company to Provide Stock. The Company covenants that there shall be reserved, free from pre-emptive rights, out of authorized but unissued shares of Common Stock, sufficient shares to provide for the conversion of the Convertible Securities from time to time as such Convertible Securities are presented for conversion.

If any shares of Common Stock to be reserved for the purpose of conversion of Convertible Securities hereunder require registration with or approval of any governmental authority under any Federal or state law before such shares may be validly issued or delivered upon conversion, then the Company covenants that it will in good faith and as expeditiously as possible endeavor to secure such registration or approval, as the case may be.

Before any action which would cause an adjustment reducing the Conversion Price for any series of Convertible Securities below the then par value, if any, of the Common Stock, the Company covenants that there will be taken all corporate action which may, in the opinion of its counsel, be necessary in order that there may be validly and legally issued fully paid and non-assessable shares of such Common Stock at such adjusted Conversion Price.

The Company covenants that all shares of Common Stock which may be issued upon conversion of Convertible Securities will upon issue be validly issued, fully paid and non-assessable and free from all liens and charges with respect to the issue or delivery thereof.

SECTION 3.10. Disclaimer of Responsibility for Certain Matters. Neither the Trustee nor any conversion agent shall at any time be under any duty or responsibility to any holder of Convertible Securities to determine whether any facts exist which may require any adjustment of the Conversion Price for any series of Convertible Securities, or with respect to the Officer's Certificate referred to in Section 3.05(g), or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed, or herein or in any supplemental indenture provided to be employed, in making the same. Neither the Trustee nor any conversion agent shall be accountable with respect to the registration, validity or value (or the kind or amount) of any shares of Common Stock, or of any securities or property, which may at any time be issued or delivered upon the conversion of any Convertible Security; and neither the Trustee nor any conversion agent makes any representation with respect thereto. Neither the Trustee nor any conversion agent shall be responsible for any failure of the Company to issue or deliver any shares of Common Stock or stock certificates or other securities, cash or property upon the surrender of any Convertible Security for the purpose of conversion, or, subject to Section 8.01, to comply with any of the covenants of the Company contained in this Article Three.

SECTION 3.11. Return of Funds Deposited for Redemption of Converted Securities. Any funds which at any time shall have been deposited by the Company or on its behalf with the Trustee or any other paying agent for the purpose of paying the principal of, premium, if any, and interest on any of the Convertible Securities and which shall not be required for such purposes because of the conversion of such Convertible Securities, as provided in this Article Three, shall forthwith after such conversion be repaid to the Company by the Trustee or such other paying agent.

SECTION 3.12. Disposition of Converted Securities. All Convertible Securities delivered to the Company or any conversion agent upon conversion pursuant to this Article Three shall be delivered to the Trustee for cancellation.

ARTICLE FOUR.

Subordination of Securities.

SECTION 4.01. Agreement to Subordinate. The Company covenants and agrees, and each holder of Securities issued hereunder by his acceptance thereof likewise covenants and agrees, that all Securities issued hereunder shall be issued subject to the provisions of this Article; and each person holding any Security, whether upon original issue or upon transfer or assignment thereof, accepts and agrees to be bound by such provisions. The provisions of this Article are made for the benefit of the holders of Senior Indebtedness, and such holders shall, at any time, be entitled to enforce such provisions against the Company or any Securityholders.

All Securities issued hereafter shall, to the extent and in the manner hereinafter in this Article set forth, be subordinate and junior in the right of payment to the prior payment in full of all Senior Indebtedness.

SECTION 4.02. No Payment on Securities if Senior Indebtedness in Default. No payment on account of principal, premium, if any, sinking funds or interest on the Securities shall be made unless full payment of amounts then due for principal, premium, if any, sinking funds and interest on all Senior Indebtedness has been made or duly provided for. No payment (including the making of any deposit in trust with the Trustee in accordance with Section 13.01) on account of principal, premium, if any, sinking funds or interest on the Securities shall be made if, at the time of such payment or immediately after giving effect thereto, (i) there shall exist a default in the payment of principal, premium, if any, sinking funds or interest with respect to any Senior Indebtedness, or (ii) there shall have occurred an event of default (other than a default in the payment of principal, premium, if any, sinking funds or interest) with respect to any Senior Indebtedness, as defined therein or in the instrument under which the same is outstanding, permitting the holders thereof

to accelerate the maturity thereof,

and such event of default shall not have been cured or waived or shall not have ceased to exist. The foregoing provision shall not prevent the Trustee from making payments on the Securities from monies or securities deposited with the Trustee pursuant to the terms of Section 13.01 if at the time such deposit was made or immediately after giving effect thereto the conditions in (i) or (ii) of this Section did not exist.

SECTION 4.03. Priority of Senior Indebtedness. In the event of any insolvency or bankruptcy proceedings, and any receivership, liquidation, reorganization under the Federal Bankruptcy Code or any other similar applicable Federal or state law, or other similar proceedings in connection therewith, relative to the Company or to its creditors, as such, or to its property, and in the event of any proceedings for voluntary liquidation, dissolution or other winding up of the Company or assignment for the benefit of creditors or any other marshalling of assets of the Company, whether or not involving insolvency or bankruptcy, then the holders of Senior Indebtedness shall be entitled to receive payment in full of all principal of and premium, if any, and interest on all Senior Indebtedness including interest on such Senior Indebtedness after the date of filing of a petition or other action commencing such proceeding before the holders of the Securities are entitled to receive any payment on account of the principal of or premium, if any, or interest on the Securities (except that holders of Securities shall be entitled to receive such payments from monies or securities deposited with the Trustee pursuant to the terms of Section 13.01 if at the time such deposit was made or immediately after giving effect thereto the conditions in (i) or (ii) of Section 4.02 did not exist), and any payment or distribution of any kind or character which may be payable or deliverable in any such proceedings in respect of the Securities, except securities which are subordinate and junior in right of payment to the payment of all Senior Indebtedness then outstanding, shall be paid by the person making such payment or distribution directly to the holders of Senior Indebtedness to the extent necessary to make payment in full of all Senior Indebtedness, after giving effect to any concurrent payment or distribution to the holders of Senior Indebtedness. In the event that any payment or distribution of cash, property or securities shall be received by the Trustee or the holders of the Securities in contravention of this Section before all Senior Indebtedness is paid in full, or provision made for the payment thereof, such payment or distribution shall be held in trust for the benefit of and shall be paid over to the holders of such Senior Indebtedness or their representative or representatives, or to the trustee or trustees under any indenture under which any instrument evidencing any of such Senior Indebtedness may have been issued, as their respective interests may appear, to the extent necessary to pay in full all Senior

Indebtedness remaining unpaid, after giving effect to any concurrent payment or distribution to the holders of such Senior Indebtedness.

In the event that any Security is declared due and payable before its expressed maturity because of the occurrence of an Event of Default (under circumstances when the provisions of the first paragraph of this Section shall not be applicable), the holders of the Senior Indebtedness outstanding at the time the Securities of such series so become due and payable because of such occurrence of such an Event of Default shall be entitled to receive payment in full of all principal of and premium, if any, interest on all Senior Indebtedness before the holders of the Securities of such series are entitled to receive any payment on account of the principal of or premium, if any, or interest on the Securities of such series except that holders of Securities of such series shall be entitled to receive payments from monies or securities deposited with the Trustee pursuant to the terms of Section 13.01, if at the time of such deposit no Security of such series had been declared due and payable before its expressed maturity because of the occurrence of an Event of Default.

Nothing in this Section shall apply to claims of, or payments to, the Trustee under or pursuant to Section 8.06.

SECTION 4.04. Company to Give Notice of Certain Events; Reliance by Trustee. The Company shall give prompt written notice to the Trustee of any insolvency or bankruptcy proceedings, any receivership, liquidation, reorganization under the Federal Bankruptcy Code or any other similar applicable Federal or state law, or similar proceedings and any proceedings for voluntary liquidation, dissolution or winding up of the Company within the meaning of this Article. The Trustee shall be entitled to assume that no such event has occurred unless the Company or any one or more holders of Senior Indebtedness or any trustee therefor has given such notice together with proof satisfactory to the Trustee of such holding of Senior Indebtedness or the authority of such Trustee. Upon any payment or distribution of assets of the Company referred to in this Article, the Trustee, in the absence of its negligence or bad faith and any holder of a Security shall be entitled to rely upon a certificate of the receiver, trustee in bankruptcy, liquidating trustee, agent or other person making such payment or distribution, delivered to the Trustee or to the holders of Securities, for the purpose of ascertaining the persons entitled to participate in such distribution, the holders of the Senior Indebtedness and other indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article. In the event that the Trustee determines, in good faith, that further evidence is required with respect to the right of any person

as a holder of Senior Indebtedness to participate in any payment or distribution pursuant to this Article, the Trustee may request such person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of Senior Indebtedness held by such person, as to the extent to which such person is entitled to participate in such payment or distribution and as to

other facts pertinent to the rights of such person under this Article, and if such evidence is not furnished, the Trustee may defer any payment to such person pending judicial determination as to the right of such person to receive such payment.

With respect to the holders of Senior Indebtedness, the Trustee undertakes to perform or to observe only such covenants and obligations as are specifically set forth in this Indenture and no implied covenants or obligations with respect to holders of Senior Indebtedness shall be read into this Indenture against the Trustee.

Nothing in this Section shall apply to claims of, or payments to, the Trustee under or pursuant to Section 8.06.

SECTION 4.05. Subrogation of Securities. Subject to the payment in full of all Senior Indebtedness, the holders of the Securities shall be subrogate to the rights of the holders of Senior Indebtedness to receive payments or distributions of assets of the Company made on the Senior Indebtedness until the principal of and premium, if any, and interest on the Securities shall be paid in full; and, for the purposes of such subrogation, no payments or distributions to the holders of Senior Indebtedness of any cash, property or securities to which the holders of the Securities or the Trustee would be entitled except for the provisions of this Article, an no payment over pursuant to the provisions of this Article to the holders of Senior Indebtedness by holders of the Securities or by the Trustee, shall, as between the Company, its creditors other than the holders of Senior Indebtedness, and the holders of Securities, be deemed to be a payment by the Company to or on account of Senior Indebtedness, and no payments or distributions to the Trustee or the holders of the Securities of cash, property or securities payable or distributable to the holders of the Senior Indebtedness to which the Trustee or the holders of the Securities shall become entitled pursuant to the provisions of this Section, shall, as between the Company, its creditors other than the holders of Senior Indebtedness, and the holders of the Securities, be deemed to be a payment by the Company to the holders of or on account of the Securities.

SECTION 4.06. Company Obligation to Pay Unconditional. The provisions of this Article are solely for the purpose of defining the relative rights of the

holders of Senior Indebtedness on the one hand, and the holders of the Securities on the other hand, and nothing herein shall impair, as between the Company and the holders of the Securities, the obligation of the Company, which is unconditional and absolute, to pay to the holders thereof the principal thereof and premium, if any, and interest thereon in accordance with the terms of the Securities and this Indenture nor shall anything herein prevent the holders of the Securities or the Trustee from exercising all remedies otherwise permitted by applicable law or under the Securities and this Indenture upon default under the Securities and this Indenture, subject to the

rights of holders of Senior Indebtedness under the provisions of this Article to receive cash, property or securities otherwise payable or deliverable to the holders of the Securities.

SECTION 4.07. Authorization of Holders of Securities to Trustee to Effect Subordination. Each holder of Securities by his acceptance thereof authorizes the Trustee in his behalf to take such action as may be necessary to appropriate to effectuate the subordination as provided in this Article and appoints the Trustee his attorney-in-fact for any and all such purposes.

SECTION 4.08. Notice to Trustee of Facts Prohibiting Payments. Notwithstanding any of the provisions of this Article or any other provision of this Indenture, the Trustee shall not at any time be charged with knowledge of the existence of any facts which would prohibit the making of any payment of moneys to or by the Trustee, unless and until the Principal Corporate Trust Office of the Trustee shall have received written notice thereof from the Company or from one or more holders of Senior Indebtedness or from any trustee therefor, together with proof satisfactory to the Trustee of such holding of Senior Indebtedness or the authority of such Trustee, and, prior to the receipt of any such written notice, the Trustee, subject to the provisions of Section 8.01, shall be entitled in all respects to assume that no such facts exist; provided, that, if prior to the second business day preceding the date upon which by the terms hereof any such moneys may become payable for any purpose (including, without limitation, the payment of the principal of or premium, if an, or interest on any Security), the Trustee shall have not received with respect to such moneys the notice provided for in this Section, then, anything herein contained to the contrary notwithstanding, the Trustee and any paying agent shall have full power and authority to receive such moneys and to apply the same to the purpose for which they were received, and shall not be affected by any notice to the contrary which may be received by it on or after such day, and provided, further, that nothing contained herein shall prevent conversions of the Securities in accordance with the provisions of this Indenture.

SECTION 4.09. Trustee May Hold Senior Indebtedness. The Trustee, shall be entitled to all the rights set forth in this Article with respect to any Senior Indebtedness at the time held by it, to the same extent as any other holder of Senior Indebtedness, and nothing in this Indenture shall deprive the Trustee of any of its rights as such holder.

SECTION 4.10. All Indenture Provisions Subject to this Article. Notwithstanding anything herein contained to the contrary, all the provisions of this Indenture shall be subject to the provisions of this Article, so far as the same may be applicable thereto.

ARTICLE FIVE.

PARTICULAR COVENANTS OF THE COMPANY.

SECTION 5.01. Payment of Principal, Premium and Interest. The Company covenants and agrees for the benefit of each series of Securities that it will duly and punctually pay or cause to be paid the principal of an premium, if any, and interest on each of the Securities of that series at the place, at the respective times and in the manner provided in such Securities. Each instalment of interest on the Securities of any series may be paid by mailing checks for such interest payable to the order of the holders of Securities entitled thereto as they appear on the registry books of the Company.

SECTION 5.02. Offices for Notices and Payments, etc. So long as any of the Securities remains outstanding, the Company will maintain in the Borough of Manhattan, The City of New York, an office or agency where the Securities of each series may be presented for payment, an office or agency where the Securities of that series may be presented for registration of transfer and for exchange as in this Indenture provided, an office or agency where the Securities of that series, if convertible, may be presented for conversion and an office or agency where notices and demands to or upon the Company in respect of the Securities of that series or of this Indenture may be served. The Company will give to the Trustee written notice of the location of any such office or agency and of any change of location thereof. The Company hereby initially appoints the corporate trust office of MORGAN GUARANTY TRUST COMPANY OF NEW YORK in the Borough of Manhattan, The City of New York as the Company's conversion agent. Until otherwise designated from time to time by the Company in a notice to the Trustee, or specified as contemplated by Section 2.03, such office or agency for all of the above purposes shall be the principal office of the Trustee. In case the Company shall fail to maintain any such office or agency in the Borough of

Manhattan, The City of New York, or shall fail to give such notice of the location or of any change in the location thereof, presentations and demands may be made and notices may be served at the principal office of the Trustee.

In addition to such office or agency, the Company may from time to time designate one or more offices or agencies outside the Borough of Manhattan, The City of New York, where the Securities may be presented for registration of transfer and for exchange in manner provided in this Indenture, and the Company may from time to time rescind such designation, as the Company may deem desirable or expedient; provided, however, that no such designation rescission shall in any manner relieve the Company of its obligation to maintain such office or agency in the Borough of Manhattan, The City of New York, for the purposes above mentioned. The Company will give to the Trustee prompt written notice of any such designation or rescission thereof.

SECTION 5.03. Appointments to Fill Vacancies in Trustee's Office. The Company, whenever necessary to avoid or fill a vacancy in the office of Trustee, will appoint, in the manner provided in Section 8.10, a Trustee, so that there shall at all times be a Trustee hereunder.

SECTION 5.04. Provision as to Paying Agent. (a) If the Company shall appoint a paying agent or conversion agent other than the Trustee with respect to the Securities of any series, it will cause such paying agent or conversion agent to execute and deliver to the Trustee an instrument in which such agent shall agree with the Trustee, subject to the provisions of this Section 5.04:

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

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

(b) If the Company shall act as its own paying agent, it will, on or not more than seven days before each due date of the principal of and premium, if any, or interest on the Securities of any series, set aside, segregate and hold in trust for the benefit of the holders of the Securities of such series a sum sufficient to pay such principal, premium or interest so becoming due and will notify the Trustee of any failure to take such action and of any failure by the

Company (or by any other obligor under the Securities of such series) to make any payment of the principal of and premium, if any, or interest on the Securities of such series when the same shall become due and payable.

(c) Anything in this Section 5.04 to the contrary notwithstanding, the Company may, at any time, for the purpose of obtaining satisfaction and discharge with respect to one or more or all series of Securities hereunder, or for any other reason, pay or cause to be paid to the Trustee all sums held in trust for any such series by the Trustee or any paying agent hereunder, as required by this Section 5.04, such sums to be held by the Trustee upon the trusts herein contained.

(d) Anything in this Section 5.04 to the contrary notwithstanding, the agreement to hold sums in trust as provided in this Section 5.04 is subject to Sections 13.03 and 13.04.

SECTION 5.05. Certificate to Trustee. The Company will deliver to the Trustee on or before April 1 in each year (beginning with April 1, 1987), so long as Securities of any series are outstanding hereunder, an Officers' Certificate stating that in the course of the performance by the signers of their duties as officers of the Company they would normally have knowledge of any default by the Company in the performance of any covenants contained in Article Three and Section 12.01, stating whether or not they have knowledge of any such default and, if so, specifying each such default of which the signers have knowledge and the nature thereof.

ARTICLE SIX.

SECURITYHOLDERS' LISTS AND REPORTS BY THE COMPANY AND THE TRUSTEE.

SECTION 6.01. Securityholders' Lists. The Company covenants and agrees that it will furnish or cause to be furnished to the Trustee:

(a) semi-annually, not more than 15 days after each record date for each series of Securities, a list, in such form as the Trustee may reasonably require, of the names and addresses of the Securityholders of such series of Securities as of such record date; and

(b) at such other times as the Trustee may request in writing, within 30 days after the receipt by the Company, of any such request, a list of similar form and content as of a date not more than 15 days prior to the time such list

is furnished, except that no such lists need be furnished so long as the Trustee is in possession thereof by reason of its acting as Securities registrar for such series.

SECTION 6.02. Preservation and Disclosure of Lists. (a) The Trustee shall preserve, in as current as form as is reasonably practicable, all information as to the names and addresses of the holders of each series of Securities (1) contained in the most recent list furnished to it as provided in Section 6.01 or (2) received by it in the capacity of Securities registrar (if so acting) hereunder. The Trustee may destroy any list furnished to it as provided in Section 6.01 upon receipt of a new list so furnished.

(b) In case three or more holders of Securities of any series (hereinafter referred to as "applicants") apply in writing to the Trustee and furnish to the Trustee reasonable proof that each such applicant has owned a Security of such series for a period of at least six months preceding the date of such application, and such

application states that the applicants desire to communicate with other holders of Securities of such series or with holders of all Securities with respect to their rights under this Indenture or under such Securities and is accompanied by a copy of the form of proxy or other communication which such applicants propose to transmit, then the Trustee shall within five business days after the receipt of such application, at its election, either:

(1) afford such applicants access to the information preserved at the time by the Trustee in accordance with the provisions of subsection (a) of this Section 6.02, or

(2) inform such applicants as to the approximate number of holders of such series or all Securities, as the case may be, whose names and addresses appear in the information preserved at the time by the Trustee in accordance with the provisions of subsection (a) of this Section 6.02, and as to the approximate cost of mailing to such Securityholders the form of proxy or other communication, if any, specified in such application.

If the Trustee shall elect not to afford such applicants access to such information, the Trustee shall, upon the written request of such applicants, mail to each Securityholder of such series or all Securities, as the case may be, whose name and address appear in the information preserved at the time by the Trustee in accordance with the provisions of subsection (a) of this Section 6.02 a copy of the form of proxy or other communication which is specified in such request with reasonable promptness after a tender to the Trustee of the

material to be mailed and of payment, or provision for the payment, of the reasonable expenses of mailing, unless within five days after such tender, the Trustee shall mail to such applicants and file with the Securities and Exchange Commission, together with a copy of the material to be mailed, a written statement to the effect that, in the opinion of the Trustee, such mailing would be contrary to the best interests of the holders of Securities of such series or all Securities, as the case may be, or would be in violation of applicable law. Such written statement shall specify the basis of such opinion. If said Commission, after opportunity for a hearing upon the objections specified in the written statement so filed, shall enter an order refusing to sustain any of such objections or if, after the entry of an order sustaining one or more of such objections, said Commission shall find, after notice and opportunity for hearing, that all the objections so sustained have been met and shall enter an order so declaring, the Trustee shall mail copies of such material to all such Securityholders with reasonable promptness after the entry of such order and the renewal of such tender; otherwise the Trustee shall be relieved of any obligation or duty to such applicants respecting their application.

(c) Each and every holder of Securities, by receiving and holding the same, agrees with the Company and the Trustee that neither the Company nor the Trustee nor any agent of either shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the holders of Securities in accordance with the provisions of subsection (b) of this Section 6.02, regardless of the source from which such information was derived, and that the Trustee shall not be held accountable by reason of mailing any material pursuant to a request made under said subsection (b).

SECTION 6.03. Reports by Company. (a) The Company covenants and agrees to file with the Trustee, within 15 days after the Company is required to file the same with the Securities and Exchange Commission, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as said Commission may from time to time by rules and regulations prescribe) which the Company may be required to file with said Commission pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934; or, if the Company is not required to file information, documents or reports pursuant to either of such sections, then to file with the Trustee and said Commission, in accordance with rules and regulations prescribed from time to time by said Commission, such of the supplementary and periodic information, documents and reports which may be required pursuant to Section 13 of the Securities Exchange Act of 1934 in respect of a security listed and registered on a national securities exchange as may be prescribed from time to time in such rules and regulations.

(b) The Company covenants and agrees to file with the Trustee and the Securities and Exchange Commission, in accordance with the rules and regulations prescribed from time to time by said Commission, such additional information, documents and reports with respect to compliance by the Company with the conditions and covenants provided for in this Indenture as may be required from time to time by such rules and regulations.

(c) The Company covenants and agrees to transmit by mail to all holders of Securities, as the names and addresses of such holders appear upon the Securities register, within 30 days after the filing thereof with the Trustee, such summaries of any information, documents and reports required to be filed by the Company pursuant to subsections (a) and (b) of this Section 6.03 as may be required by rules and regulations prescribed from time to time by the Securities and Exchange Commission.

SECTION 6.04. Reports by the Trustee. (a) On or before June 15, 1987, and on or before June 15 in every year thereafter, so long as any Securities are outstanding for which the Trustee is appointed hereunder, the Trustee shall transmit to the

Securityholders of each series of Securities for which such Trustee is appointed as hereinafter in this Section 6.04 provided, a brief report dated as of April 15 of the appropriate year with respect to:

(1) its eligibility under Section 8.09, and its qualification under Section 8.08, or in lieu thereof, if to the best of its knowledge it has continued to be eligible and qualified under such Sections, a written statement to such effect;

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

(3) the amount, interest rate, and maturity date of all other indebtedness owing by the Company (or by any other obligator on the Securities) to the Trustee in its individual capacity, on the date of such report, with a brief description of any property held as collateral

security therefor, except any indebtedness based upon a creditor relationship arising in any manner described in paragraph (2), (3), (4) or (6) of subsection (b) of Section 8.13;

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

(5) any additional issue of Securities which the Trustee has not previously reported; and

(6) any action taken by the Trustee in the performance of its duties under this Indenture which it has not previously reported and which in its opinion materially affects the Securities, except action in respect of a default, notice of which has been or is to be withheld by it in accordance with the provisions of Section 7.08.

(b) The Trustee shall transmit to the Securityholders for each series, as hereinafter provided, a brief report with respect to the character and amount of any advances (and if the Trustee elects so to state, the circumstances surrounding the making thereof) made by the Trustee (as such), since the date of the last report transmitted pursuant to the provisions of subsection (a) of this

Section 6.04 (or, if no such report has yet been so transmitted, since the date of execution of this Indenture), for the reimbursement of which it claims or may claim a lien or charge prior to that of the Securities of such series on property or funds held or collected by it as Trustee, and which it has not previously reported pursuant to this subsection, except that the Trustee shall not be required (but may elect) to report such advances if such advances remaining unpaid at any time aggregate 10% or less of the principal amount of Securities for such series outstanding at such time, such report to be transmitted within 90 days after such time.

(c) Reports pursuant to this Section 6.04 shall be transmitted by mail to all holders of Securities as the names and addresses of such holders appear upon the Securities register.

(d) A copy of each such report shall, at the time of such transmission to Securityholders, be filed by the Trustee with each stock exchange upon which the Securities of any applicable series are listed and also with the Securities and Exchange Commission. The Company will notify the Trustee when and as the Securities of any series become listed on or delisted by any stock exchange.

ARTICLE SEVEN.

Remedies of the Trustee and Securityholders
on Event of Default.

SECTION 7.01. Events of Default. "Event of Default", wherever used herein with respect to Securities of any series, means any one of the following events and such other events as may be established with respect to the Securities of that series as contemplated by Section 2.03 hereof:

(a) default in the payment of interest upon any Securities of that series when it becomes due and payable, and continuance of such default for a period of 30 days; or

(b) default in the payment of all or any part of the principal or (or premium, if any, on) any Securities of that series as and when the same shall become due and payable either at maturity, upon redemption (including redemption for the sinking fund), by declaration or otherwise; or

(c) default in the performance, or breach, of any covenant of the Company in this Indenture (other than a covenant a default in whose performance or whose breach is elsewhere in this Section specifically dealt with and other than those set forth exclusively in terms of any particular series of Securities established as contemplated in this Indenture), and continuance of such default or breach for a period of 90 days after there has been given, by registered or

certified mail, to the Company by the Trustee or to the Company and the Trustee by the holders of at least 25% in principal amount of the outstanding Securities a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder; or

(d) a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Company in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Company or for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and such decree or order shall remain unstayed and in effect for a period of 90 consecutive days; or

(e) the Company shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, shall consent to the entry of an order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of the Company or of any substantial part of its property, or shall make any general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due.

If an Event of Default described in clause (a) or (b) or established pursuant to Section 2.03 occurs and is continuing, then, and in each and every such case, unless the principal of all of the Securities of such series shall have already become due and payable, either the Trustee or the holders of not less than 25% in aggregate principal amount of the Securities of such series then outstanding hereunder, by notice in writing to the Company (and to the Trustee if given by Securityholders), may declare the entire principal of all the Securities of such series and the interest accrued thereon to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable. If an Event of Default described in clause (c), (d) or (e) occurs and is continuing, then and in each and every such case, unless the principal of all the Securities shall have already become due and payable, either the Trustee of the holders of not less than 25% in aggregate principal amount of all the Securities then outstanding hereunder (treated as one class), by notice in writing to the Company (and to the Trustee if given by Securityholders), may declare the entire principal of all the Securities then outstanding and interest accrued thereon, if any, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable.

The foregoing provisions, however, are subject to the condition that if, at any time after the principal of the Securities of any series (or of all the Securities, as the case may be) shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided, the Company shall pay or shall deposit with the Trustee a sum sufficient to pay all matured installments of interest upon all the Securities of any series (or all the Securities, as the case may be) and the principal of and premium, if any, on any and all Securities of such series (or of all the Securities, as the case may be) which shall have become due otherwise than by acceleration (with interest upon such principal and premium, if any, and, to the extent that payment of such interest is enforceable under applicable law, on overdue installments of interest at the same rate as the rate of interest specified in the Securities of such series, or at the

respective rates of interest of the Securities, as the case may be, to the date of such payment or deposit) and such amount as shall be sufficient to cover reasonable compensation to the Trustee and each predecessor Trustee, their respective agents, attorneys and counsel, as provided in Section 8.06, and if any and all Events of Default under this Indenture, other than the non-payment of the principal of or premium, if any, on Securities which shall have become due by acceleration, shall have been cured, waived or otherwise remedied as provided herein--then and in every such case the holders of a majority in aggregate principal amount of the Securities of such series (or of all the Securities, as the case may be) then outstanding, by written notice to the Company and to the Trustee, may waive all defaults with respect to that series (or with respect to all Securities, as the case may be, in such case, treated as a single class), and rescind and annul such declaration and its consequences, but no such waiver or rescission and annulment shall extend to or shall affect any subsequent default or shall impair any right consequent thereon.

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

SECTION 7.02. Payment of Securities on Default; Suit Therefor. The Company covenants that (a) in case default shall be made in the payment of any installment of interest upon any of the Securities of any series as and when the same shall become due and payable, and such default shall have continued for a period of 30 days, or (b) in case default shall be made in the payment of the

principal of or premium, if any, on any of the Securities of any series as and when the same shall have become due and payable, whether at maturity of the Securities of that series or upon redemption or by declaration or otherwise--then, upon demand of the Trustee, the Company will pay to the Trustee, for the benefit of the holders of the Securities of that series, the whole amount that then shall have become due and payable on all such Securities of that series for principal and premium, if any, or interest, or both, as the case may be, with interest upon the overdue principal and premium, if any, and (to the extent that payment of such interest is enforceable under applicable law) upon the overdue installments of interest at the rate of interest borne by the Securities of that series; and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including a reasonable compensation

to the Trustee, its agents, attorneys and counsel, as provided in Section 8.06.

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

In case there shall be pending proceedings for the bankruptcy or for the reorganization of the Company or any other obligor on the Securities of any series under Title 11, United States Code, or any other applicable law, or in case a receiver or trustee (or similar official) shall have been appointed for the property of the Company or such other obligor, or in the case of any other similar judicial proceedings relative to the Company or other obligor upon the Securities of any series, or to the creditors or property of the Company or such other obligor, the Trustee, irrespective of whether the principal of the Securities of any series shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand pursuant to the provisions of this Section 7.02, shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount of principal and interest owing and unpaid in respect of the Securities of such series and, in case of any judicial proceedings, to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for reasonable compensation to the Trustee and each predecessor Trustee, and their respective agents, attorneys and counsel, as provide in Section 8.06) and of the Securityholders allowed in such judicial proceedings relative to the Company or any other obligor on the Securities of any series, or to the creditors

or property of the Company or such other obligor, unless prohibited by applicable law and regulations, to vote on behalf of the holders of the Securities of any series in any election of a trustee or a standby trustee in arrangement, reorganization, liquidation or other bankruptcy or insolvency proceedings or person performing similar functions in comparable proceedings, and to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute the same after the deduction of its charges and expenses; and any receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized by each of the Securityholders 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 Securityholders, to pay to the Trustee such amounts as shall be sufficient to cover reasonable compensation to the Trustee, each predecessor Trustee and their respective agents, attorneys and counsel, as provided in Section 8.06.

Nothing herein contained shall be construed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Securityholder any plan of reorganization, arrangement, adjustment or composition affecting the Securities of any series or the rights of any holder thereof or to authorize the Trustee to vote in respect of the claim of any Securityholder in any such proceeding.

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

In any proceedings brought by the Trustee (and also any proceedings involving the interpretation of any provision of this Indenture to which the Trustee shall be a party) the Trustee shall be held to represent all the holders of the Securities of the series affected thereby and it shall not be necessary to make any such holders of the Securities parties to any such proceedings.

Section 7.03 Application of Moneys Collected by Trustee. Any moneys collected by the Trustee shall be applied in the order following, at the date or dates fixed by the Trustee for the distribution of such moneys, upon presentation of the several Securities of any series in respect of which moneys have been collected, and stamping thereon the payment, if only partially paid, and upon surrender thereof if fully paid:

FIRST: To the payment of costs and expenses of collection applicable to each such series and reasonable compensation to the Trustee, its agents, attorneys and counsel, as provided in Section 8.06;

SECOND: In case the principal of the outstanding Securities in respect of which moneys have been collected shall not have become due and be unpaid, to the payment of interest on the Securities of each such series in the order of the maturity of the installments of such interest, with interest (to the extent that such interest has been collected by the

Trustee) upon the overdue installments of interest at the respective rates borne by the Securities of each such series, such payments to be made ratably to the persons entitled thereto;

THIRD: In case the principal of the outstanding Securities in respect of which moneys have been collected shall have become due, by declaration or otherwise, to the payment of the whole amount then owing and unpaid upon the Securities of each such series for principal and premium, if any, and interest, with interest on the overdue principal and premium, if any, and (to the extent that such interest has been collected by the Trustee) upon overdue installments of interest at the respective rates specified in the Securities of each such series: and in case such moneys shall be insufficient to pay in full the whole amount so due and unpaid upon the Securities of each such series, then to the payment of such principal and premium, if any, and interest without preference or priority of principal and premium, if any, over interest, or of interest over principal and premium, if any, or of any installment of interest over any other installment of interest, or of any Security of each such series over any other Security of each such series, ratably to the aggregate of such principal and premium, if any, and accrued and unpaid interest.

Any surplus then remaining shall be paid to the Company or to such other person as shall be entitled to receive it.

Section 7.04. Proceedings by Securityholders. No holder of any Security of any series shall have any right by virtue of or by availing of any provision of this Indenture to institute any suit,

action or proceeding in equity or at law upon or with respect to this Indenture or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless such holder previously shall have given to the Trustee written notice of default and of the continuance thereof, as hereinbefore provided, and unless also the holders of not less than 25% in aggregate principal amount of the Securities of that series then outstanding, or, in the case of any Event of Default described in clause (c), (d) or (e) of Section 7.01, 25% in aggregate principal amount of all Securities then outstanding, shall have made written request upon the Trustee to institute such action, suit or proceeding in its own name as Trustee hereunder and shall have offered to the Trustee such reasonably indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee for 60 days after its receipt of such notice, request and offer of indemnity shall have failed to institute any such action, suite or proceeding, it being understood and intended, and being expressly covenanted by the taker and holder of every Security with every other

taker and holder and the Trustee, that no one or more holders of Securities of any series shall have any right in any manner whatever by virtue of or by availing of any provision of this Indenture to affect, disturb or prejudice the rights of any other holder of Securities, or to obtain or seek to obtain priority over or preference to any other such holder, or to enforce any right under this Indenture, except in the manner herein provided and for the equal, ratable and common benefit of all holders of Securities of the applicable series.

Notwithstanding any other provisions in this Indenture, however, the right of any holder of any Security to receive payment of the principal of, premium, if any, and interest on such Security, on or after the same shall have become due and payable, or to institute suit for the enforcement of any such payment, shall not be impaired or affected without the consent of such holder.

SECTION 7.05. Proceedings by Trustee. In case of an Event of Default hereunder the Trustee may in its discretion proceed to protect and enforce the rights vested in it by this Indenture by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any of such rights, either by suite in equity or by action at law or by proceeding in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Indenture or in aid of the exercise of any power granted in this Indenture, or to enforce any other legal or equitable right vested in the Trustee by this Indenture or by law.

SECTION 7.06. Remedies Cumulative and Continuing. All powers and remedies given by this Article Seven to the Trustee or to the Securityholders shall, to the extent permitted by law, be deemed cumulative and not exclusive of any thereof or of any other powers and remedies available to the Trustee or the holders of the

Securities, by judicial proceedings or otherwise, to enforce the performance or observance of the covenants and agreements contained in this Indenture, and no delay or omission of the Trustee or of any holder of any of the Securities to exercise any right or power accruing upon any default occurring and continuing as aforesaid shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence therein; and, subject to the provisions of Section 7.04, every power and remedy given by this Article Seven or by law to the trustee or to the Securityholders may be exercised from time to time, and as often as shall be deemed expedient, by the Trustee or by the Securityholders.

SECTION 7.07. Direction of Proceedings and Waiver of Defaults by Majority

of Securityholders. The holders of a majority in aggregate principal amount of the Securities of any or all series at the time outstanding shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee; provided, however, that (subject to the provisions of Section 8.01) the Trustee shall have the right to decline to follow any such direction if the Trustee shall determine that the action so directed would be unjustly prejudicial to the holders not taking part in such direction or if the Trustee being advised by counsel determines that the action or proceeding so directed may not lawfully be taken or if the Trustee in good faith by its board of directors or trustees, executive committee, or a trust committee of directors or trustees and/or Responsible Officers shall determine that the action or proceedings so directed would involve the Trustee in personal liability. Subject to Sections 7.01 and 7.02, the holders of a majority in aggregate principal amount of the Securities of that series at the time outstanding may on behalf of the holders of all the Securities of such series waive any past default or Event of Default including any default or Event of Default established pursuant to Section 2.03 (or, in the case of an event specified in clause (c), (d) or (e) of Section 7.01, the holders of a majority in aggregate principal amount of all the Securities then outstanding (voting as one class)) may waive such default or Event of Default, and its consequences except a default (a) in the payment of principal of, premium, if any, or interest on any of the Securities or (b) in respect of covenants or provisions hereof which cannot be modified or amended without the consent of the holder of each Security affected. Upon any such waiver the Company, the Trustee and the holders of the Securities of that series (or of all Securities, as the case may be) shall be restored to their former positions and rights hereunder, respectively; but no such waiver shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon. Whenever any default or Event of Default hereunder shall have been waived as permitted by this Section 7.07, said default or Event of Default shall for all purposes of the Securities of that series (or of all Securities, as the case may

be) and this Indenture be deemed to have been cured and to be not continuing.

Section 7.08. Notice of Defaults. The Trustee shall, within 90 days after the occurrence of a default with respect to any of the Securities of any series mail to all Securityholders of that series, as the names and addresses of such holders appear upon the Securities register, notice of all defaults with respect to that series known to the Trustee, unless such defaults shall have been cured before the giving of such notice (the term "defaults" for the purpose of this Section 7.08 being hereby defined to be the events specified in clauses (a), (b), (c), (d) and (e) of Section 7.01, not including periods of grace, if

any, provided for therein, and irrespective of the giving of written notice specified in clause (c) of Section 7.01); and provided that, except in the case of default in the payment of the principal of, premium, if any, or interest on any of the Securities of such series, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee, or a trust committee of directors and/or Responsible Officers of the Trustee in good faith determines that the withholding of such notice is in the interests of the Securityholders of such series; and provided further, that in the case of any default of the character specified in Section 7.01(c) no such notice to Securityholders shall be given until at least 90 days after the occurrence thereof but shall be given within 120 days after such occurrence.

Section 7.09. Undertaking to Pay Costs. All parties to this Indenture agree, and each holder of any Security by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section 7.09 shall not apply to any suit instituted by the Trustee, to any suit instituted by any Securityholder, or group of Securityholders of any series, holding in the aggregate more than 10% in principal amount of the Securities of that series(or in the case of any suit relating to or arising under clause (c), (d) or (e) of Section 7.01, 10% in aggregate principal amount of all Securities) outstanding, or to any suit instituted by any Securityholder for the enforcement of the payment of the principal of or premium, if any, or interest on any Security against the Company on or after the same shall have become due and payable.

ARTICLE EIGHT

Concerning the Trustee

Section 8.01. Duties and Responsibilities of Trustee. With respect to any series of Securities issued hereunder, the Trustee, prior to the occurrence of an Event of Default with respect to Securities of that series and after the curing or waiving of all Events of Default which may have occurred with respect to Securities of that series, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture with respect to such series. In case an Event of Default with respect to the Securities of a series has occurred (which has not been cured or waived) the Trustee shall exercise such of the rights and powers vested in it by this Indenture with respect to

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

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

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

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

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

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

Trustee was negligent in ascertaining the pertinent facts; and

(c) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith, in accordance with the direction of the Securityholders pursuant to Section 7.07, relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

None of the provisions contained in this Indenture shall require the

Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if there is reasonable ground for believing that the repayment of such funds or liability is not reasonably assured to it.

Section 8.02. Reliance on Documents, Opinions, etc. Except as otherwise provided in Section 8.01

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

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

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

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

(e) the Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be

authorized or within the discretion or rights or powers conferred upon it by this Indenture;

(f) prior to the occurrence of an Event of Default hereunder and after the curing or waiving of all Events of Default, the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report,

notice, request, consent, order, approval, bond, debenture, coupon or other paper or document, unless requested in writing to do so by the holders of not less than a majority in principal amount of the Securities of all series affected then outstanding; provided, however, that if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Trustee, not reasonably assured to the Trustee by the security afforded to it by the terms of this Indenture, the Trustee may require reasonable indemnity against such expense or liability as a condition to so proceeding; and

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

SECTION 8.03. No Responsibility for Recitals, etc. The recitals contained herein and in the Securities (except in the certificate of authentication of the Trustee or the Authenticating Agent) shall be taken as the statements of the Company, and the Trustee and the Authenticating Agent assume no responsibility for the correctness of the same. The Trustee and the Authenticating Agent make no representations as to the validity or sufficiency of this Indenture or of the Securities. The Trustee and the Authenticating Agent shall not be accountable for the use or application by the Company of any Securities or the proceeds of any Securities authenticated an delivered by the Trustee or the Authenticating Agent in conformity with the provisions of this Indenture.

SECTION 8.04. Trustee, Authenticating Agent, Paying Agents, Transfer Agents, Conversion Agents or Registrar May Own Securities. The Trustee or any Authenticating Agent or any paying agent or any transfer agent or any conversion agent or any Securities registrar, in its individual or any other capacity, may become the owner or pledgee of Securities with the same rights it would have if it were not Trustee, Authenticating Agent, paying agent, transfer agent, conversion agent or Securities registrar.

SECTION 8.05. Moneys to Be Held in Trust. Subject to the provisions of Section 13.04, all moneys received by the trustee or any paying agent shall, until used or applied as herein provided, be held in trust for the purpose for which they were received, but need not be segregated from other funds except to the extent required by law. The Trustee and any paying agent shall be under no liability for interest on any money received by it hereunder except as otherwise

agreed with the Company. So long as no Event of Default shall have occurred and be continuing, all interest allowed, if any, on any such moneys shall be paid from time to time upon the written order of the Company, signed by the Chairman of the Board of Directors, the President, any Vice President, the Treasurer or any Assistant Treasurer of the Company.

SECTION 8.06. Compensation and Expenses of Trustee. The Company covenants and agrees to pay to the trustee from time to time, and the Trustee shall be entitled to, reasonable compensation (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust), and the Company will pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any of the provisions of this Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and of all persons not regularly in its employ and any amounts paid by the Trustee to any Authenticating Agent pursuant to Section 8.14) except any such expense, disbursement or advance as may arise from its negligence or bad faith. If any property other than cash shall at any time be subject to the lien of this Indenture, the Trustee, if and to the extent authorized by a receivership or bankruptcy court of competent jurisdiction or by the supplemental instrument subjecting such property to such lien, shall be entitled to make advances for the purpose of preserving such property or of discharging tax liens or other prior liens or encumbrances thereon. The Company also covenants to indemnify each of the Trustee, and any predecessor Trustee for, and to hold each of them harmless against, any loss, liability or expense arising out of or in connection with the acceptance or administration of this trust and the performance of its duties hereunder including the costs and expenses of defending itself against any claim of liability in the premises, except to the extent such loss, liability or expense results from its own negligence or bad faith. The obligations of the Company under this Section 8.06 to compensate the Trustee and to pay or reimburse the Trustee for expenses, disbursements and advances shall constitute additional indebtedness hereunder. Such additional indebtedness shall be secured by a claim prior to that of the Securities upon all property and funds held or collected by the Trustee as such, except funds held in trust for the benefit of the holders of particular Securities.

SECTION 8.07 Officers' Certificate as Evidence. Except as otherwise provided in Section 8.01 and 8.02, whenever in the

administration of the provisions of this Indenture the Trustee shall deem it necessary or desirable that a mater be proved or established prior to taking or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or

bad faith on the part of the Trustee, be deemed to be conclusively proved and established by an Officers' Certificate delivered to the Trustee, and such Certificate, in the absence of negligence or bad faith on the part of the Trustee, shall be full warrant to the Trustee for any action taken or omitted by it under the provisions of this Indenture upon the faith thereof.

SECTION 8.08. Conflicting Interest of Trustee. (a) If the Trustee has or shall acquire any conflicting interest, as defined in this Section 8.08 with respect to the Securities of any series, it shall, within 90 days after ascertaining that it has such conflicting interest, either eliminate such conflicting interest or resign with respect to the Securities of that series in the manner and with the effect specified in Section 8.10.

(b) In the event that the Trustee shall fail to comply with the provisions of subsection (a) of this Section 8.08 with respect to the Securities of any series, the Trustee shall, within 10 days after the expiration of such 90-day period, transmit notice of such failure to all holders of Securities of that series, as the names and addresses of such holders appear upon the Securities register.

(c) For the purposes of this Section 8.08 the Trustee shall be deemed to have a conflicting interest with respect to Securities of any series if

(1) the Trustee is trustee under this Indenture with respect to the Securities of any other series or under another indenture under which any other securities, or certificates of interest or participation in any other securities, of the Company or other obligor on the Securities of such series (each of which is hereafter in this Section called a "Security party") are outstanding, unless such other indenture is a collateral trust indenture under which the only collateral consists of Securities issued under this Indenture; provided that there shall be excluded from the operation of this paragraph this Indenture with respect to the Securities of any other series and any other indenture or indentures under which other securities, or certificates of interest or participation in other securities, of a Security party (as defined in Section 8.13), are outstanding if (i) this Indenture is and, if applicable, this Indenture and such other indenture or indentures are wholly unsecured and such other indenture or indentures are hereafter qualified under the Trust Indenture Act of 1939, unless the Securities and Exchange Commission shall have found

and declared by order pursuant to subsection (b) of Section 305 or subsection (c) of Section 307 of the Trust Indenture Act of 1939 that differences exist between the provisions of this Indenture with respect to Securities of such series and one or more other series or, if applicable, this Indenture and the provisions of such other indenture or indentures which are so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify the Trustee from acting as such under this Indenture and such other indenture or indentures, or (ii) the Company shall have sustained the burden of proving, on application to the Securities and Exchange Commission and after opportunity for hearing thereon, that trusteeship under this Indenture with respect to Securities of such series and one or more other series or, if applicable, this Indenture and such other indenture or indentures is not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify the Trustee from acting as such under this Indenture with respect to Securities of such series and one or more other series or, if applicable, this Indenture and one of such indentures;

(2) the Trustee or any of its directors or executive officers is an obligor upon the Securities of any series issued under this Indenture or an underwriter for a Security party;

(3) the Trustee directly or indirectly controls or is directly or indirectly controlled by or is under direct or indirect common Control with a Security party or an underwriter for a Security party;

(4) the Trustee or any of its directors or executive officers is a director, officer, partner, employee, appointee, or representative of a Security party, or of an underwriter (other than the Trustee itself) for a Security party who is currently engaged in the business of underwriting, except that (A) one individual may be a director and/or an executive officer of the Trustee and a director and/or an executive officer of a Security party, but may not be at the same time an executive officer of both the Trustee and a Security party; (B) if and so long as the number of directors of the Trustee in office is more than nine, one additional individual may be a director and/or an executive officer of the Trustee and a director of a Security party; and (C) the Trustee may be designated by a Security party or by an underwriter for a Security party to act in the capacity of transfer agent, registrar, custodian, paying

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agent, fiscal agent, escrow agent, or depositary, or in any other similar capacity, or, subject to the provisions of paragraph (1) of this subsection (c), to act as trustee whether under an indenture or otherwise;

(5) 10% or more of the voting securities of the Trustee is beneficially owned either by a Security party or by any director, partner, or executive officer thereof, or 20% or more of such voting securities is beneficially owned, collectively, by any two or more of such persons; or 10% or more of the voting securities of the Trustee is beneficially owned either by an underwriter for a Security party or by any director, partner, or executive officer thereof, or is beneficially owned, collectively, by any two or more such persons;

(6) the Trustee is the beneficial owner of, or holds as collateral security for an obligation which is in default, (A) 5% or more of the voting securities, or 10% or more of any other class of security, of a Security party, not including the Securities issued under this Indenture and securities issued under any other indenture under which the Trustee is also trustee, or (B) 10% or more of any class of security of an underwriter for a Security party;

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

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

(9) the Trustee owns on May 15 in any calendar year, in the capacity of executor, administrator, testamentary or inter vivos trustee, guardian, committee or conservator, or in any other similar capacity, an aggregate of 25% or more of the voting securities, or of any class of security, of any person, the beneficial ownership of a specified percentage of which would have constituted a conflicting interest under paragraph (6), (7) or (8) of this subsection (c). As to any such securities of which the Trustee acquired ownership through becoming executor, administrator or testamentary trustee of an estate which included them, the provisions of the preceding sentence

shall not apply, for a period of two years from the date of such acquisition, to the extent that such securities included in such estate do not exceed 25% of such voting securities or 25% of any such class of security. Promptly after May 15, in each calendar year, the Trustee shall make a check of its holdings of such securities in any of the above-mentioned capacities as of such May 15. If the Company fails to make payment in full of principal of or interest on any of the Securities when and as the same become due and payable, and such failure continues for 30 days thereafter, the Trustee shall make a prompt check of its holdings of such securities in any of the above-mentioned capacities as of the date of the expiration of such 30-day period and, after such date, notwithstanding the foregoing provisions of this paragraph (9), all such securities so held by the Trustee, with sole or joint control over such securities vested in it, shall, but only so long as such failure shall continue, be considered as though beneficially owned by the Trustee for the purposes of paragraphs (6), (7), and (8) of this subsection (c).

The specifications of percentages in paragraphs (5) to (9), inclusive, of this subsection (c) shall not be construed as indicating that the ownership of such percentages of the securities of a person is or is not necessary or sufficient to constitute direct or indirect control for the purposes of paragraph (3) or (7) of this subsection (c).

For the purposes of paragraphs (6), (7), and (9) of this subsection (c) only, (A) the terms "security" and "securities" shall include only such securities as are generally known as corporate securities, but shall not include any note or other evidence of indebtedness issued to evidence an obligation to repay moneys lent to a person by one or more banks, trust companies or banking firms, or any certificate of interest or participation in any such note or evidence of indebtedness; (B) an obligation shall be deemed to be in default when a default in payment of principal shall have continued for 30 days or more and shall not have been cured; and (C) the Trustee shall not be deemed to be the owner or holder of (i) any security which it holds as collateral security (as trustee or otherwise) for any obligation which is not in default as defined in clause (B) above, or (ii) any security which it holds as collateral security under this Indenture, irrespective of any default hereunder, or (iii) any security which it holds as agent for collection, or as custodian, escrow agent, or depositary, or in any similar representative capacity.

Except as provided in the next preceding paragraph hereof, the work "security" or "securities" as used in this Indenture shall mean any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of

interest or participation in any

profit-sharing agreement, collateral-trust certificate, pre-organization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas or other mineral rights, or, in general, any interest or instrument commonly known as a "security" or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase any of the foregoing.

(d) For the purposes of this Section 8.08:

(1) The term "underwriter" when used with reference to a Security party shall mean every person who, within three years prior to the time as of which the determination is made, has purchased from such Security party with a view to, or has offered or sold for such Security party in connection with, the distribution of any security of such Security party outstanding at such time, or has participated or has had a direct or indirect participation in any such undertaking, or has participated or has had a participation in the direct or indirect underwriting of any such undertaking, but such term shall not include a person whose interest was limited to a commission from an underwriter or dealer not in excess of the usual and customary distributors' or sellers' commission.

(2) The term "director" shall mean any director of a corporation or any individual performing similar functions with respect to any organization whether incorporated or unincorporated.

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

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

(5) The term "executive officer" shall mean the president, every vice president, every trust officer, the

cashier, the secretary, and the treasurer of a corporation, and any individual customarily performing similar functions with respect to any organization whether incorporated or unincorporated, but shall not include the chairman of the board of directors.

The percentages of voting securities and other securities specified in this Section 8.08 shall be calculated in accordance with the following provisions:

(A) A specified percentage of the voting securities of the Trustee, the Company or any other person referred to in this Section 8.08 (each of whom is referred to as a "person" in this paragraph) means such amount of the outstanding voting securities of such person as entitles the holder or holders to cast such specified percentage of the aggregate votes which the holders of all the outstanding voting securities of such person are entitled to cast in the direction or management of the affairs of such person.

(B) A specified percentage of a class of securities of a person means such percentage of the aggregate amount of securities of the class outstanding.

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

(D) The term "outstanding" means issued and not held by or for the account of the issuer. The following securities shall not be deemed outstanding within the meaning of this definition:

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

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

(iii) securities pledged by the issuer thereof as security for an obligation of the issuer not in default as to principal or interest or otherwise;

(iv) securities held in escrow if placed in escrow by the issuer thereof; provided, however, that any

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voting securities of an issuer shall be deemed outstanding if any person other than the issuer is entitled to exercise the voting rights thereof.

(E) A security shall be deemed to be of the same class as another security if both securities confer upon the holders or holders thereof substantially the same rights and privileges; provided, however, that, in the case of secured evidences of indebtedness, all of which are issued under a single indenture, differences in the interest rates or maturity dates of various series thereof shall not be deemed sufficient to constitute such series different classes, and provided, further, that, in the case of unsecured evidences of indebtedness, differences in the interest rates or maturity dates thereof shall not be deemed sufficient to constitute them securities of different classes, whether or not they are issued under a single indenture.

SECTION 8.09. Eligibility of Trustee. The Trustee hereunder shall at all times be a corporation organized and doing business under the laws of the United States or any State or Territory thereof or of the District of Columbia authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least $5,000,000, subject to supervision or examination by Federal, State, Territorial, or District of Columbia authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section 8.09 the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 8.09, the Trustee shall resign immediately in the manner and with the effect specified in Section 8.10.

SECTION 8.10. Resignation or Removal of Trustee. (a) The Trustee, or any trustee or trustees hereafter appointed, may at any time resign with respect to one or more or all series of Securities by giving written notice of such

resignation to the Company and by mailing notice thereof to the holders of the applicable series of Securities at their addresses as they shall appear on the Securities register. Upon receiving such notice of resignation, the Company shall promptly appoint a successor trustee or trustees with respect to the applicable series by written instrument, in duplicate, executed by order of its Board of Directors, one copy of which instrument shall be delivered to the resigning Trustee and one copy the successor trustee. If no successor trustee shall have been so appointed with respect to any series of Securities and have accepted appointment within 60 days after the mailing of such

notice of resignation to the affected Securityholders, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor trustee, or any Securityholder who has been a bona fide holder of a Security or Securities of the applicable series for at least six months may, subject to the provisions of Section 7.09, on behalf of himself and all other similarly situated, petition any such court for the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor trustee.

(b) In case at any time any of the following shall occur--

(1) the Trustee shall fail to comply with the provisions of subjection (a) of Section 8.08 after written request therefor by the Company or by any Securityholder who has been a bona fide holder of a Security or Securities for at least six months, or

(2) the Trustee shall cease to be eligible in accordance with the provisions of Section 8.09 and shall fail to resign after written request therefor by the Company or by any such Securityholder, or

(3) the Trustee shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, the Company may remove the Trustee with respect to all Securities and appoint a successor trustee by written instrument, in duplicate, executed by order of the Board of Directors, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor trustee, or, subject to the provisions of Section 7.09, any Securityholder who has been a bona fide holder of a Security or Securities of the applicable series for at least six months may, on behalf of himself and all other similarly situated,

petition any court of competent jurisdiction for the removal of the Trustee with respect to all Securities and the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, remove the Trustee and appoint a successor trustee.

(c) The holders of a majority in aggregate principal amount of the Securities of one or more series (each series voting as a class) or all series (voting as one class) at the time outstanding may at any time remove the Trustee with respect to the applicable series of Securities or all series, as the case may be, and nominate a successor trustee with respect to the applicable series of Securities or all series, as the case may be, which shall be

deemed appointed as successor trustee with respect to the applicable series unless within ten days after such nomination the Company objects thereto, in which case the Trustee so removed or any Securityholder of the applicable series, upon the terms and conditions and otherwise as in subdivision (a) of this Section 8.10 provided, may petition any court of competent jurisdiction for an appointment of a successor trustee with respect to such series.

(d) Any resignation or removal of the Trustee and appointment of a successor trustee pursuant to any of the provisions of this Section 8.10 shall become effective upon acceptance of appointment by the successor trustee as provided in Section 8.11.

SECTION 8.11. Acceptance by Successor Trustee. Any successor trustee appointed as provided in Section 8.10 shall execute, acknowledge and deliver to the Company and to its predecessor trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor trustee with respect to all or any applicable series shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations with respect to such series of its predecessor hereunder, with like effect as if originally named as trustee herein; but, nevertheless, on the written request of the Company or of the successor trustee, the trustee ceasing to act shall, upon payment of any amounts then due it pursuant to the provisions of Section 8.06, execute and deliver an instrument transferring to such successor trustee all the rights and powers of the trustee so ceasing to act. Upon request of any such successor trustee, the Company shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor trustee all such rights and powers. Any trustee ceasing to act shall, nevertheless, retain a claim upon all property or funds held or collected by such trustee to secure any amounts then due it pursuant to

the provisions of Section 8.06.

If a successor trustee is appointed with respect to the Securities of one or more (but not all) series, the Company, the predecessor Trustee and each successor trustee with respect to the Securities of any applicable series shall execute and deliver an indenture supplemental hereto which shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the predecessor Trustee with respect to the Securities of any series as to which the predecessor Trustee is not retiring shall continue to be vested in the predecessor Trustee, and shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trust hereunder by more than one trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such trustees co-trustees of the same trust and that each such trustee shall be trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such trustee.

No successor trustee shall accept appointment as provided in this Section 8.11 unless at the time of such acceptance such successor trustee shall be qualified under the provisions of Section 8.08 and eligible under the provisions of Section 8.09.

Upon acceptance of appointment by a successor trustee as provided in this Section 8.11, the Company shall mail notice of the succession of such trustee hereunder to the holders of Securities of any applicable series at their addresses as they shall appear on the Securities register. If the Company fails to mail such notice within ten days after the acceptance of appointment by the successor trustee, the successor trustee shall cause such notice to be mailed at the expense of the Company.

SECTION 8.12. Succession by Merger, etc. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto.

In case at the time such successor to the Trustee shall succeed to the trusts created by this Indenture any of the Securities of any series shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such Securities so authenticated; and in case at that time any of the Securities

of any series shall not have been authenticated, any successor to the Trustee may authenticate such Securities either in the name of any predecessor hereunder or in the name of the successor trustee; and in all such cases such

certificates shall have the full force which it is anywhere in the Securities of such series or in this Indenture provided that the certificate of the Trustee shall have; provided, however, that the right to adopt the certificate of authentication of any predecessor Trustee or authenticate Securities of any series in the name of any predecessor Trustee shall apply only to its successor or successors by merger, conversion or consolidation.

SECTION 8.13. Limitation on Rights of Trustee as a Creditor. (a) Subject to the provisions of subsection (b) of this Section 8.13, if the Trustee shall be or shall become a creditor, directly or indirectly, secured or unsecured, of the Company or of any other obligor on the Securities (each of which is hereafter in this Section 8.13 called a "Security party") within four months prior to a default, as defined in paragraph (1) of subsection (c) of this Section 8.13, or subsequent to such a default, then, unless and until such default shall be cured, the Trustee shall set apart and hold in a special account for the benefit of the Trustee individually, the holders of the Securities, and the holders of other indenture securities (as defined in paragraph (2) of subsection (c) of this Section 8.13):

(1) an amount equal to any and all reductions in the amount due and owning upon any claim as such creditor in respect of principal or interest, effected after the beginning of such four-month period and valid as against such Security party and its other creditors, except any such reduction resulting from the receipt or disposition of any property described in paragraph (2) of this subsection, or from the exercise of any right of set-off which the Trustee could have exercised if a petition in bankruptcy had been filed by or against such Security party upon the date of such default; and

(2) all property received by the Trustee in respect of any claim as such creditor, either as security therefor, or in satisfaction or composition thereof, or otherwise, after the beginning of such four-month period, or an amount equal to the proceeds of any such property, if disposed of, subject, however, to the rights, if any, of such Security party and its other creditors in such property or such proceeds.

Nothing herein contained, however, shall affect the right of the Trustee:

(A) to retain for its own account (i) payments made on account of

any such claim by any person (other than such Security party) who is liable thereon, and (ii) the proceeds of the bona fide sale of any such claim by the Trustee to a third person, and (iii) distributions made in case, securities, or other property in respect of claims filed

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against such Security party in bankruptcy or receivership or in proceedings for reorganization pursuant to Title 11, United States Code or applicable state law;

(B) to realize, for its own account, upon any property held by it as security for any such claim, if such property was so held prior to the beginning of such four-month period;

(C) to realize, for its own account, but only to the extent of the claim hereinafter mentioned, upon any property held by it as security for any such claim, if such claim was created after the beginning of such four-month period and such property was received as security therefor simultaneously with the creation thereof, and if the Trustee shall sustain the burden of proving that at the time such property was so received the Trustee had no reasonable cause to believe that a default, as defined in subsection (c) of this Section 8.13, would occur within four months; or

(D) to receive payment on any claim referred to in paragraph (B) or (C), against the release of any property held as security for such claim as provided in such paragraph (B) or (C), as the case may be, to the extent of the fair value of such property.

For the purposes of paragraphs (B), (C), and (D), property substituted after the beginning of such four-month period for property held as security at the time of such substitution shall, to the extent of the fair value of the property released, have the same status as the property released, and, to the extent that any claim referred to in any of such paragraphs is created in renewal of or in substitution for or for the purpose of repaying or refunding any pre-existing claim of the Trustee as such creditor, such claim shall have the same status as such pre-existing claim.

If the Trustee shall be required to account, the funds and property held in such special account and the proceeds thereof shall be apportioned between the Trustee, the Securityholders and the holders of other indenture securities in such manner that the Trustee, the Securityholders and the holders of other indenture securities realize, as a result of payments from such special account and payments of dividends on claims filed against such Security party in bankruptcy or receivership or in proceedings for reorganization pursuant to Title 11, United States Code, or applicable state law, the same percentage of

their respective claims, figured before crediting to the claim of the Trustee anything on account of the receipt by it from such Security party of the funds and property in such special account and before crediting to the respective claims of the Trustee, the Securityholders, and the holders of other indenture securities dividends on claims filed against such Security party in bankruptcy or receivership or in proceedings for reorganization pursuant to

Title 11, United States Code or applicable state law, but after crediting thereon receipts on account of the indebtedness represented by their respective claims from all sources other than from such dividends and from the funds and property so held in such special account. As used in this paragraph, with respect to any claim, the term "dividends" shall include any distribution with respect to such claim, in bankruptcy or receivership or in proceedings for reorganization pursuant to Title 11, United States Code, or applicable state law, whether such distribution is made in cash, securities, or other property, but shall not include any such distribution with respect to the secured portion, if any, of such claim. The court in which such bankruptcy, receivership, or proceeding for reorganization is pending shall have jurisdiction (i) to apportion among the Trustee, the Securityholders, and the holders of other indenture securities, in accordance with the provisions of this paragraph, the funds and property held in such special account and the proceeds thereof, or (ii) in lieu of such apportionment, in whole or in part, to give the provisions of this paragraph due consideration in determining the fairness of the distributions to be made to the Trustee, the Securityholders and the holders of other indenture securities with respect to their respective claims, in which event it shall not be necessary to liquidate or to appraise the value of any securities or other property held in such special account or as security for any such claim, or to make a specific allocation of such distributions as between the secured and unsecured portions of such claims, or otherwise to apply the provisions of this paragraph as a mathematical formula.

Any Trustee who has resigned or been removed after the beginning of such four-month period shall be subject to the provisions of this subsection (a) as though such resignation or removal had not occurred. If any Trustee has resigned or been removed prior to the beginning of such four-month period, it shall be subject to the provisions of this subsection (a) if and only if the following conditions exist:

(i) the receipt of property or reduction of claim which would have given rise to the obligation to account, if such Trustee had continued as trustee, occurred after the beginning of such four-month period; and

(ii) such receipt of property or reduction of claim occurred within

four months after such resignation or removal.

(b) There shall be excluded from the operation of subsection (a) of this Section 8.13 a creditor relationship arising from

(1) the ownership or acquisition of securities issued under any indenture, or any security or securities having a maturity of one year or more at the time of acquisition by the Trustee;

(2) advances authorized by a receivership or bankruptcy court of competent jurisdiction, or by this Indenture, for the purpose of preserving any property which shall at any time be subject to the lien of this Indenture or of discharging tax liens or other prior liens or encumbrances thereon, if notice of such advance and of the circumstances surrounding the making thereof is given to the Securityholders at the time and in the manner provided in Section 6.04 with respect to reports pursuant to the subsections (a) and (b) thereof, respectively;

(3) disbursements made in the ordinary course of business in the capacity of trustee under an indenture, transfer agent, registrar, custodian, paying agent, fiscal agent or depositary, or other similar capacity;

(4) an indebtedness created as a result of services rendered or premises rented; or an indebtedness created as a result of goods or securities sold in a cash transaction as defined in subsection (c) of this Section 8.13;

(5) the ownership of stock or of other securities of a corporation organized under the provisions of Section 25(a) of the Federal Reserve Act, as amended, which is directly or indirectly a creditor of a Security party; or

(6) the acquisition, ownership, acceptance or negotiation of any drafts, bills of exchange, acceptances or obligations which fall within the classification of self-liquidating paper as defined in subsection (c) of this Section 8.13.

(c) As used in this Section 8.13:

(1) The term "default" shall mean any failure to make payment in full of the principal of or interest upon any of the Securities or upon the other indenture securities when and as such principal or interest

becomes due and payable;

(2) The term "other indenture securities" shall mean securities upon which a Security party is an obligor (as defined in the Trust Indenture Act of 1939) outstanding under any other indenture (A) under which the Trustee is also trustee, (B) which contains provisions substantially similar to the provisions of subsection (a) of this Section 8.13, and (C) under which a default exists at the time of the apportionment of the funds and property held in said special account;

(3) The term "cash transaction" shall mean any transaction in which full payment for goods or securities sold is made within seven days after delivery of the goods or securities in currency or in checks or other orders drawn upon banks or bankers and payable upon demand;

(4) The term "self-liquidating paper" shall mean any draft, bill of exchange, acceptance or obligation which is made, drawn, negotiated or incurred by a Security party for the purpose of financing the purchase, processing, manufacture, shipment, storage or sale of goods, wares or merchandise and which is secured by documents evidencing title to, possession of, or a lien upon, the goods, wares or merchandise or the receivables or proceeds arising from the sale of the goods, wares or merchandise previously constituting the security; provided that the security is received by the Trustee simultaneously with the creation of the creditor relationship with such Security party arising from the making, drawing, negotiating or incurring of the draft, bill of exchange, acceptance or obligation.

SECTION 8.14. Authenticating Agents. There may be one or more Authenticating Agents appointed by the Trustee upon the request of the Company with power to act on the Trustee's behalf and subject to its direction in the authentication and delivery of Securities of any series issued upon exchange or transfer thereof as fully to all intents and purposes as though any such Authenticating Agent had been expressly authorized to authenticate and deliver Securities of such series; provided, that the Trustee shall have no liability to the Company for any acts or omissions of the Authenticating Agent with respect to the authentication and delivery of Securities of any series. Any such Authenticating Agent shall at all times be a corporation organized and doing business under the laws of the United States or of any State or Territory thereof or of the District of Columbia authorized under such laws to act as Authenticating Agent, having a combined capital and surplus of at least $5,000,000 and being subject to supervision or examination by Federal, State, Territorial or District of Columbia authority. If such corporation publishes

reports of condition at least annually pursuant to law or the requirements of such authority, then for the purposes of this Section 8.14 the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time an Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect herein specified in this Section.

Any corporation into which any Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, consolidation or conversion to which any Authenticating Agent shall be a party, or any corporation succeeding to the corporate trust business of any Authenticating Agent, shall be the successor of such Authenticating Agent hereunder, if such successor corporation is otherwise eligible under this Section 8.14, without the execution or filing of any paper or any further act on the part of the parties hereto or such Authenticating Agent.

Any Authenticating Agent may at any time resign with respect to one or more or all series of Securities by giving written notice of resignation to the Trustee and to the Company. The Trustee may at any time terminate the agency of any Authenticating Agent with respect to one or more or all series of Securities by giving written notice of termination to such Authenticating Agent and to the Company. Upon receiving such a notice of resignation or upon such a termination, or in case at any time any Authenticating Agent shall cease to be eligible under this Section 8.14, the Trustee may, and upon the request of the Company shall, promptly appoint a successor Authenticating Agent with respect to the applicable series eligible under this Section 8.14, shall give written notice of such appointment to the Company and shall mail notice of such appointment to all holders of the applicable series of Securities as the names and addresses of such holders appear on the Securities register. Any successor Authenticating Agent with respect to all or any series upon acceptance of its appointment hereunder shall become vested with all rights, powers, duties and responsibilities with respect to such series of its predecessor hereunder, with like effect as if originally named as Authenticating Agent herein.

The Trustee agrees to pay to any Authenticating Agent from time to time reasonable compensation for its services, and the Trustee shall be entitled to be reimbursed for such payments, subject to Section 8.06. Any Authenticating Agent shall have no responsibility or liability for any action taken by it as such in accordance with the directions of the Trustee.

If an appointment with respect to one or more series is made pursuant to this Section, the Securities of such series may have endorsed thereon, in

addition to the Trustee's certificate of authentication, an alternate certificate of authentication in the following form.

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

MORGAN GUARANTY TRUST
COMPANY OF NEW YORK
as Trustee

By
as Authenticating Agent
for the Trustee

By
Authorized Officer

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ARTICLE NINE

Concerning the Securityholders

SECTION 9.01. Action by Securityholders. Whenever in this Indenture it is provided that the holders of a specified percentage in aggregate principal amount of the Securities of any or all series 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 (a) by any instrument or any number of instruments of similar tenor executed by such Securityholders in person or by agent or proxy appointed in writing, or (b) by the record of such holders of Securities voting in favor thereof at any meeting of such Securityholders duly called and held in accordance with the provisions of Article Ten, or (c) by a combination of such instrument or instruments and any such record of such a meeting of such Securityholders.

SECTION 9.02. Proof of Execution by Securityholders. Subject to the provisions of Sections 8.01, 8.02 and 10.05, proof of the execution of any instrument by a Securityholder or his agent or proxy shall be sufficient if made in accordance with such reasonable rules and regulations as may be prescribed by

the Trustee or in such manner as shall be satisfactory to the Trustee. The ownership of Securities shall be proved by the Securities register or by a certificate of the Securities registrar.

The record of any Securityholders' meeting shall be proved in the manner provided in Section 10.06.

SECTION 9.03. Who Are Deemed Absolute Owners. The Company, the Trustee, any Authenticating Agent, any paying agent, any transfer agent, any conversion agent and any Securities registrar may deem the person in whose name such Security shall be registered upon the Securities register to be, and may treat him as, the absolute owner of such Security (whether or not such Security shall be overdue and notwithstanding any notation of ownership or other writing thereon) for the purposes of conversion and of receiving payment of or on account of the principal of, premium, if any, and interest on such Security and for all other purposes; and neither the Company nor the Trustee nor any Authenticating Agent nor any paying agent nor any transfer agent nor any conversion agent nor any Securities registrar shall be affected by any notice to the contrary. All such payments so made to any holder for the time being or upon his order shall be valid, and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable upon any such Security.

SECTION 9.04. Securities Owned by Company Deemed Not Outstanding. In determining whether the holders of the requisite aggregate principal amount of Securities have concurred in any direction, consent or waiver under this Indenture, Securities which are owned by the Company or any other obligor on the Securities or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or any other obligor on the Securities shall be disregarded and deemed not to be outstanding for the purpose of any such determination; provided that for the purposes of determining whether the Trustee shall be protected in relying on any such direction, consent or waiver, only Securities which a Responsible Officer knows are so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as outstanding for the purposes of this Section 9.04 if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Securities and that the pledgee is not the Company or any such other obligor or person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or any such other obligor. Upon request of the Trustee, the Company shall furnish to the Trustee promptly an Officers' Certificate listing and identifying all Securities, if any, known by the Company to be owned or held by or for the account of any of the above-described person; and, subject to the provisions of Section 8.01, the

Trustee shall be entitled to accept such Officers' Certificate as conclusive evidence of the facts therein set forth and of the fact that all Securities not listed therein are outstanding for the purpose of any such determination.

SECTION 9.05. Revocation of Consents; Future Holders Bound. At any time prior to (but not after) the evidencing to the Trustee, as provided in Section 9.01, of the taking of any action by the holders of the percentage in aggregate principal amount of the Securities specified in this Indenture in connection with such action, any holder of a Security (or any Security issued in whole or in part in exchange or substitution therefor) who consented to such action may, by filing written notice with the Trustee at its principal office and upon proof of holding as provided in Section 9.02, revoke such action so far as concerns such Security (or so far as concerns the principal amount represented by any exchanged or substituted Security). Except as aforesaid any such action taken by the holder of any Security shall be conclusive and binding upon such holder and upon all future holders and owners of such Security, and of any Security issued in exchange or substitution therefor, irrespective of whether or not any notation in regard thereto is made upon such Security or any Security issued in exchange or substitution therefor. Any action taken by the holders of the percentage in aggregate principal amount of the Securities specified in this Indenture in connection with such action shall be conclusively binding upon the Company, the Trustee and the holders of such Securities.

ARTICLE TEN

Securityholders' Meetings

SECTION 10.01. Purposes of Meetings. A meeting of Securityholders of any or all series may be called at any time and from time to time pursuant to the provisions of this Article Ten for any of the following purposes:

(a) to give any notice to the Company or to the Trustee, or to give any directions to the Trustee, or to consent to the waiving of any default hereunder and its consequences, or to take any other action authorized to be taken by Securityholders pursuant to any of the provisions of Article Seven;

(b) to remove the Trustee and nominate a successor trustee pursuant to the provisions of Article Eight;

(c) to consent to the execution of an indenture or indentures supplemental hereto pursuant to the provisions of Section 11.02; or

(d) to take any other action authorized to be taken by or on behalf of the holders of any specified aggregate principal amount of such Securities under any other provisions of this Indenture or under applicable law.

SECTION 10.02. Call of Meetings by Trustee. The Trustee may at any time call a meeting of Securityholders of any or all series to take any action specified in Section 10.01, to be held at such time and at such place in the Borough of Manhattan, The City of New York, as the Trustee shall determine. Notice of every meeting of the Securityholders of any or all series, setting forth the record date, time and place of such meeting and in general terms the action proposed to be taken at such meeting, shall be mailed to holders of Securities of each series affected at their addresses as they shall appear on the Securities register of each series affected. Such notice shall be mailed not less than 20 nor more than 90 days prior to the date fixed for the meeting.

SECTION 10.03. Call of Meetings by Company or Securityholders. In case at any time the Company pursuant to a resolution of the Board of Directors, or the holders of at least 10% in aggregate principal amount of the Securities of any or all series, as the case may be, then outstanding, shall have requested the Trustee to call a meeting of Securityholders of any or all series, as the case may be, by written request setting forth in reasonable detail action proposed to be taken at the meeting, and the Trustee shall not have mailed the notice of such meeting within 20 days after receipt of such request, then the Company or such

Securityholders may determine the time and the place in said Borough of Manhattan for such meeting and may call such meeting to take any action authorized in Section 10.01, by mailing notice thereof as provided in Section 10.02.

SECTION 10.04. Qualifications for Voting. To be entitled to vote at any meeting of Securityholders a person shall (a) be a holder of one or more Securities with respect to which the meeting is being held or (b) a person appointed by an instrument in writing as proxy by such a holder of one or more such Securities. The only persons who shall be entitled to be present or to speak at any meeting of Securityholders shall be the persons entitled to vote at such meeting and their counsel and any representatives of the Trustee and its counsel and any representatives of the Company and its counsel.

SECTION 10.05. Regulations. Notwithstanding any other provisions of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of Securityholders, 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 think fit.

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 Securityholders as provided in Section 10.03, in which case the Company or the Securityholders 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 majority vote of the meeting.

Subject to the provisions of Section 9.04, at any meeting each holder of Securities with respect to which such meeting is being held or proxy therefor shall be entitled to one vote for each $1,000 principal amount of Securities held or represented by him; provided, however, that no vote shall be cast or counted at any meeting in respect of any Security challenged as not outstanding and ruled by the chairman of the meeting to be not outstanding. The chairman of the meeting shall have no right to vote other than by virtue of Securities held by him or instruments in writing as aforesaid duly designating him as the person to vote on behalf of other Securityholders. At any meeting of Securityholders, the presence of persons holding or representing Securities in an aggregate principal amount sufficient to take action on the business for the transaction of which such meeting was called shall constitute a quorum, but, if less than a quorum is present, the persons holding or representing a majority in aggregate principal amount of the Securities represented at the meeting and entitled to

vote may adjourn such meeting with the same effect, for all intents and purposes, as though a quorum had been present. Any meeting of Securityholders duly called pursuant to the provisions of Section 10.02 or 10.03 may be adjourned from time to time by a majority of those present, whether or not constituting a quorum, and the meeting may be held as so adjourned without further notice.

SECTION 10.06. Voting. The vote upon any resolution submitted to any meeting of holders of Securities with respect to which such meeting is being held shall be by written ballots on which shall be subscribed the signatures of such holders or of their representatives by proxy and the serial number or numbers of the 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 triplicate of all votes cast at the meeting. A record in duplicate of the proceedings of

each meeting of Securityholders 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 mailed as provided in Section 10.02. The record shall show the serial numbers of the Securities voting in favor of or against any resolution. The record shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting and one of the duplicates shall be delivered to the Company and the other to the Trustee to be preserved by the Trustee, the latter to have attached thereto ballots voted at the meeting.

Any record so signed and verified shall be conclusive evidence of the matters therein stated.

ARTICLE ELEVEN.

Supplemental Indentures.

SECTION 11.01. Supplemental Indentures without Consent of Securityholders. The Company, when authorized by a resolution of the Board of Directors, and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto for one or more of the following purposes:

(a) to evidence the succession of another corporation to the Company, or successive succession, and the assumption by the successor corporation of the covenants, agreements and obligations of the Company pursuant to Article Twelve hereof;

(b) to add to the covenants of the Company such further covenants, restrictions or conditions for the protection 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 for the benefit of such series) as the Board of Directors and the Trustee shall consider to be for the protection of the holders of such Securities, and to make the occurrence, or the occurrence and continuance, of a default in any of such additional covenants, restrictions or conditions a default or an Event of Default permitting the enforcement of all or any of the several remedies provided in this Indenture as herein set forth; provided, however, that in respect of any such additional covenant, restriction or condition such supplemental

indenture may provide for a particular period of grace after default (which period may be shorter or longer than that allowed in the case of other defaults) or may provide for an immediate enforcement upon such default or may limit the remedies available to the Trustee upon such default;

(c) to provide for the issuance under this Indenture of Securities in coupon form (including Securities registrable as to principal only) and to provide for exchangeability of such Securities with the Securities issued hereunder in fully registered form and to make all appropriate changes for such purpose;

(d) to establish the form or terms of Securities of any series as permitted by Sections 2.01 and 2.03;

(e) to evidence and provide for the acceptance of appointment hereunder by a successor trustee with respect to the Securities of one or more series and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one trustee, pursuant to the requirements of Section 8.11;

(f) to make provision with respect to the conversion rights of holders of Convertible Securities pursuant to the requirements of Section 3.06; and

(g) to cure any ambiguity or to correct or supplement any provision contained herein or in any supplemental indenture which may be defective or inconsistent with any other provision contained herein or in any supplemental indenture, or to make such other provisions in regard to matters or questions arising under this Indenture; provided that any such action shall not materially adversely affect the interests of the holders of the Securities.

The Trustee is hereby authorized to join with the Company in the execution of any such supplemental indenture, to make any further appropriate agreements and stipulations which may be therein contained and to accept the conveyance, transfer and assignment of any property thereunder, but the Trustee shall not be obligated to, but may in its discretion, enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Any supplemental indenture authorized by the provisions of this Section 11.01 may be executed by the Company and the Trustee without the consent of the holders of any of the Securities at the time outstanding, notwithstanding any of the provisions of Section 11.02.

SECTION 11.02. Supplemental Indentures with Consent of Securityholders. With the consent (evidenced as provided in Section 9.01) of the holders of not less than 66 2/3% in aggregate principal amount of the Securities at the time outstanding of all series affected by such supplemental indenture (voting as a class), the Company, when authorized by a resolution of the Board of Directors, and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of any supplemental indenture or of modifying in any manner the rights of the holders of the Securities of each series so affected; provided, however, that no such supplemental indenture shall (i) extend the final maturity of any Security, or reduce the rate or extend the time of payment of interest thereon, or reduce the principal amount thereof or any premium thereon, or reduce any amount payable on redemption thereof or make the principal thereof or any interest or premium thereon payable in any coin or currency other than that provided in the Securities, or impair the right to convert Convertible Securities into Common Stock on the terms set forth herein, or impair or affect the right of any Securityholder to institute suit for payment thereof or the right of repayment, if any, at the option of the holder, or modify any of the provisions of this Indenture relating to the subordination of the Securities in a manner adverse to the holders thereof without the consent of the holder of each Security so affected, or (ii) reduce the aforesaid percentage of Securities the holders of which are required to act pursuant to Section 7.07 or to consent to any such supplemental indenture, without the consent of the holders of each Security then affected.

A supplemental indenture which changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of one or more particular series of Securities, or which modifies the rights of Securityholders of such series with respect to such covenant or

provision, shall be deemed not to affect the rights under this Indenture of the Securityholders of any other series.

Upon the request of the Company accompanied by a copy of a resolution of the Board of Directors certified by its Secretary or Assistant Secretary authorizing the execution of any such supplemental indenture, and upon the filing with the Trustee of evidence of the consent of Securityholders as

aforesaid, the Trustee shall join with the Company in the execution of such supplemental indenture unless such supplemental indenture affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such supplemental indenture.

It shall not be necessary for the consent of the Securityholders under this Section 11.02 to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof.

SECTION 11.03. Compliance with Trust Indenture Act; Effect of Supplemental Indentures. Any supplemental indenture executed pursuant to the provisions of this Article Eleven shall comply with the Trust Indenture Act of 1939, as then in effect. Upon the execution of any supplemental indenture pursuant to the provisions of this Article Eleven, this Indenture shall be and be deemed to be modified and amended in accordance therewith and the respective rights, limitations of rights, obligations, duties and immunities under this Indenture of the Trustee, the Company and the holders of Securities of each series affected thereby shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications an amendments and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

SECTION 11.04. Notation on Securities. Securities of any series authenticated and delivered after the execution of any supplemental indenture affecting such series pursuant to the provisions of this Article Eleven may bear a notation in the form approved by the trustee as to any matter provided for in such supplemental indenture. If the Company or the Trustee shall so determine, new Securities of any series so modified as to conform, in the opinion of the Trustee and the Board of Directors, to any modification of this Indenture contained in any such supplemental indenture may be prepared and executed by the Company, authenticated by the Trustee or the Authenticating Agent and delivered in exchange for the Securities of any series then outstanding.

SECTION 11.05. Evidence of Compliance of Supplemental Indenture to Be Furnished Trustee. The Trustee, subject to the provisions of Sections 8.01 and 8.02, may receive an Officers' Certificate and an Opinion of Counsel as conclusive evidence that any supplemental indenture executed pursuant hereto complies with the requirements of this Article Eleven.

SECTION 11.06. Effect on Senior Indebtedness. No supplemental indenture

shall adversely affect the rights of any holder of Senior Indebtedness under Article Four without the consent of such holder.

ARTICLE TWELVE.

Consolidation, Merger and Sale by the Company.

SECTION 12.01. Consolidation, Merger and Sale of Assets Permitted. The Company covenants and agrees that it will not consolidate with, merge into, or sell or otherwise dispose of all or substantially all its property as an entirety to, any person other than a corporation organized under the laws of the United States of America or any State or Territory thereof or of the District of Columbia, lawfully entitled to acquire the same. The Company will not so consolidate or merge, or make any such sale or other disposition, unless, and the Company covenants and agrees that any such consolidation, merger, sale or other disposition shall be on the condition that, (1) the provisions of Section 3.06 are complied with and (2) such corporation shall expressly assume the due and punctual payment of the principal of and premium, if any, and interest on all the Securities, according to their tenor, and the due and punctual performance and observance of all of the covenants and conditions of this Indenture to be performed by the Company, by supplemental indenture satisfactory to the Trustee, executed and delivered to the Trustee by such corporation. The Company covenants and agrees that it will not so consolidate or merge or make any such sale or other disposition, or permit any corporation to merge into the Company, if immediately thereafter the Company or such successor corporation, as the case may be, shall be in default in the performance or observance of any of the covenants or conditions of this Indenture.

SECTION 12.02. Successor Corporation to Be Substituted for Company. In case of any such merger, consolidation, sale or conveyance and upon any such assumption by the successor corporation, such successor corporation shall succeed to and be substituted for the Company, with the same effect as if it had been named herein as the party of the first part, and, in case of such a sale or conveyance other than a lease, the Company thereupon shall be relieved of any further obligation or liability hereunder or upon the Securities, and may thereupon or at any time thereafter

be dissolved, wound up or liquidated. Such successor corporation thereupon may cause to be signed, and may issue either in its own name or in the name of Masco Industries, Inc. any or all of the Securities issuable hereunder which theretofore shall not have been signed by the Company and delivered to the Trustee or the Authenticating Agent; and, upon the order of such successor

corporation (instead of the Company) and subject to all the terms, conditions and limitations in this Indenture prescribed, the Trustee or the Authenticating Agent shall authenticate and deliver any Securities which previously shall have been signed and delivered by the officers of the Company to the Trustee or the Authenticating Agent for authentication, and any Securities which such successor corporation thereafter shall cause to be signed and delivered to the Trustee or the Authenticating Agent for that purpose. All the Securities so issued shall in all respects have the same legal rank and benefit under this Indenture as the Securities theretofore or thereafter issued in accordance with the terms of this Indenture as though all of such Securities had been issued at the date of the execution hereof.

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

SECTION 12.03. Evidence to Be Furnished Trustee. The Trustee, subject to the provisions of Sections 8.01 and 8.02, may receive and rely upon an Officers' Certificate and an Opinion of Counsel as conclusive evidence that any consolidation, merger, sale or conveyance, and any such assumption complies with the provisions of this Article Twelve.

ARTICLE THIRTEEN.

Satisfaction and Discharge of Indenture.

SECTION 13.01. Discharge of Indenture. When (a) the Company shall have paid or caused to be paid the principal of and interest on all Securities of any series outstanding hereunder, as and when the same shall have become due and payable, (b) the Company shall deliver to the Trustee for cancellation all Securities of any series theretofore authenticated (other than any Securities of such series which shall have been destroyed, lost or stolen and which shall have been replaced or paid as provided in Section 2.08 or converted) and not theretofore cancelled, or (c) with respect to any series of Securities which, under the terms specified in the resolution or supplemental indenture or indentures referred to in Section 2.03, pursuant to which such series is created, can be discharged prior to maturity, the Company shall deposit with the Trustee, in trust, cash and/or a principal amount of obligations of or directly guaranteed by the United States of America maturing or redeemable at the option of the holder thereof not later than the

date fixed for payment or redemption of all outstanding Securities of such series which, together with the income to be earned on such obligations prior to

such date, equals the principal amount of (and any applicable premium on), all such Securities of such series not theretofore cancelled or delivered to the Trustee for cancellation, with interest to the date of their maturity or redemption, as the case may be, but excluding, however, the amount of any moneys for the payment of principal of, or premium, if any, or interest on the Securities of such series (1) theretofore repaid to the Company in accordance with the provisions of Section 13.04, or (2) paid to any State or to the District of Columbia pursuant to its unclaimed property or similar laws, and if in any such case the Company shall also pay or cause to be paid all other sums payable hereunder by the Company, then (except in the case of (c) above as to (i) rights of registration of transfer and exchange and any right of the Company of optional redemption and to deliver Securities of such series to the Trustee for cancellation, (ii) substitution of mutilated, defaced, destroyed, lost or stolen Securities, (iii) any remaining rights of conversion of Convertible Securities, (iv) the rights, obligations and immunities of the Trustee hereunder and (v) the rights of the Securityholders as beneficiaries hereof with respect to the property so deposited with the Trustee, all of which shall continue in full force and effect) all of the Company's liability with respect to principal, premium, if any, and interest on the Securities of such series shall be discharged, this Indenture shall cease to be of further effect as to such series, and the Trustee, on demand of the Company accompanied by an Officers' Certificate and an Opinion of Counsel and at the cost and expense of the Company, shall execute proper instruments acknowledging satisfaction of and discharging this Indenture as to such series, the Company, however, hereby agreeing to reimburse the Trustee for any costs or expenses thereafter reasonably and properly incurred by the Trustee in connection with this Indenture or the Securities; provided, however, that the rights of Securityholders to receive amounts in respect of principal of and interest on the Securities held by them shall not be delayed longer than required by then-applicable mandatory rules or policies of any securities exchange if the Securities of such series continue to be listed. Notwithstanding the foregoing, if the Company makes a deposit of cash and/or obligations described in clause (c) above with respect to any series of Securities which, under the terms specified in the resolution or supplemental indenture or indentures referred to in Section 2.03, pursuant to which such series is created, is subject to the provisions of this sentence (whether or not such resolution or supplemental indenture provides that such series can be discharged prior to maturity under clause (c) above), and, concurrently with such deposit, notifies the Trustee that such series shall no longer have the benefit of all or any portion of the provisions of Article Seven of this Indenture and such other provisions of this Indenture or the resolution or supplemental indenture, pursuant to which such series is created, as are specifically permitted in such resolution or supplemental indenture

to be made inapplicable under this sentence with respect to such series, this Indenture and such supplemental indenture or resolution shall thereupon be deemed amended with respect to such series solely by the deletion in their entirety of such provisions and this Indenture and such supplemental indenture or resolution shall in all other respects be unaffected thereby.

SECTION 13.02. Deposited Moneys to Be Held in Trust by Trustee. Subject to the provisions of Section 13.04, all moneys and obligations deposited with the Trustee pursuant to Section 13.01 shall be held in trust and applied by it to the payment, either directly or through any paying agent (including the Company if acting as its own paying agent), to the holders of the particular Securities for the payment of which such moneys and obligations have been deposited with the Trustee, of all sums due and to become due thereon for principal, premium, if any, and interest; provided, however, that the Company shall be entitled from time to time to withdraw cash and/or obligations deposited under clause (c) or the last sentence of Section 13.01 provided that the cash and obligations thereafter on deposit and after giving effect to such withdrawal would, if then deposited under such clause, satisfy in all respects the requirements of such clause or the last sentence of Section 13.01. At the time of any such withdrawal, the Company shall deliver to the Trustee an Officers' Certificate demonstrating compliance with the provisions of such clause or sentence.

SECTION 13.03. Paying Agent to Repay Moneys Held. Upon the satisfaction and discharge of this Indenture all moneys then held by any paying agent of the Securities (other than the Trustee) shall, upon demand of the Company, be repaid to it or paid to the Trustee, and thereupon such paying agent shall be released from all further liability with respect to such moneys.

SECTION 13.04. Return of Unclaimed Moneys. Except as may be required under applicable law, any moneys deposited with or paid to the Trustee or any paying agent for payment of the principal of, and premium, if any, or interest on Securities and not applied but remaining unclaimed by the holders of Securities for three years after the date upon which the principal of, and premium, if any, or interest on such Securities, as the case may be, shall have become due and payable, shall be repaid to the Company by the Trustee or such paying agent on written demand; and the holder of any of the Securities shall thereafter look only to the Company for any payment which such holder may be entitled to collect and all liability of the Trustee or such paying agent with respect to such moneys shall thereupon cease.

ARTICLE FOURTEEN.

Immunity of Incorporators, Stockholders, Officers and Directors.

SECTION 14.01. Indenture and Securities Solely Corporate Obligations. No recourse for the payment of the principal of or premium, if any, or interest on any Security, or for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Company in this Indenture or in any supplemental indenture, or in any Security, or because of the creation of any indebtedness represented thereby, shall be had against any incorporator, stockholder, officer or director, as such, past, present or future, of the Company or of any successor corporation of the Company, either directly or through the Company or any successor corporation of the Company, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that all such liability is hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Indenture and the issue of the Securities.

ARTICLE FIFTEEN.

Miscellaneous Provisions.

SECTION 15.01. Successors. All the covenants, stipulations, promises and agreements in this Indenture contained by the Company shall bind its successors and assigns whether so expressed or not.

SECTION 15.02. Official Acts by Successor Corporation. Any act or proceeding by any provision of this Indenture authorized or required to be done or performed by any board, committee or officer of the Company shall and may be done and performed with like force and effect by the like board, committee or officer of any corporation that shall at the time be the lawful sole successor of the Company.

SECTION 15.03. Addresses for Notices, etc. Any notice or demand which by any provision of this Indenture is required or permitted to be given or served by the Trustee or by the holders of Securities on the Company may be given of served by being deposited postage prepaid by registered or certified mail in a post office letter box addressed (until another address is filed by the Company with the Trustee for the purpose) to Masco Industries Inc., 21001 Van Born Road, Taylor, Michigan 48180, Attention: President. Any notice, direction, request or demand by any Securityholder to or upon the Trustee shall be deemed to have been sufficiently given or made, for all purposes, if given or made in writing at the office of the Trustee, 30 West Broadway, New York, New York 10015, Attention: Corporate Trust Administration.

SECTION 15.04. New York Contract. This Indenture and each Security shall be deemed to be a contract made under the laws of the State of New York, and for all purposes shall be governed by and construed in accordance with the laws of said State.

SECTION 15.05. Evidence of Compliance with Conditions Precedent. Upon any application or demand by the Company to the Trustee to take any action under any of the provisions of this Indenture, the Company shall furnish to the Trustee an Officers' Certificate stating that in the opinion of the signers all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

Each certificate or opinion provided for in this Indenture and delivered to the Trustee with respect to compliance with a condition or covenant provided for in this Indenture (other than the Officers' Certificate called for by Section 5.05) 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 has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and (4) a statement as to whether or not, in the opinion of such person, such condition or covenant has been complied with.

SECTION 15.06. Legal Holidays. In any case where the date of payment of interest on or principal of or premium, if any, on the Securities will be in The City of New York, New York a legal holiday or a day on which banking institutions are authorized by law to close, the payment of such interest on or principal of or premium, if any, on the Securities need not be made on such date but may be made on the next succeeding day not in such City a legal holiday or a day on which banking institutions are authorized by law to close, with the same force and effect as if made on the date of payment and no interest shall accrue for the period from and after such date.

SECTION 15.07. Trust Indenture Act to Control. If and to the extent that any provision of this Indenture limits, qualifies or conflicts with another provision included in this Indenture which is required to be included in this Indenture by any of Sections 310 to 317, inclusive, of the Trust Indenture Act of 1939, such required provision shall control.

SECTION 15.08. Table of Contents, Headings, etc. The table of contents and the titles 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 no way modify or restrict any of the terms of provisions hereof.

SECTION 15.09. Execution in Counterparts. This Indenture may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

SECTION 15.10. No Security Interest Created. Nothing in this Indenture or in the Securities, expressed or implied, shall be construed to constitute a security interest under the Uniform Commercial Code or similar legislation, as now or hereafter enacted and in effect, in any jurisdiction where property of the Company or its Subsidiaries is located.

ARTICLE SIXTEEN.

Redemption of Securities--Mandatory and Optional Sinking Fund.

SECTION 16.01. Applicability of Article. The provisions of this Article shall be applicable to the Securities of any series which are redeemable at the option of the Company before their maturity or to any sinking fund for the retirement of Securities of a series except as otherwise specified as contemplated by Section 2.03 for Securities of such series.

SECTION 16.02. Notice of Redemption; Selection of Securities. In case the Company shall desire to exercise the right to redeem all, or, as the case may be, any part of the Securities of any series in accordance with their terms, it shall fix a date for redemption and shall mail a notice of such redemption at lease 30 and not more than 60 days prior to the date fixed for redemption to the holders of Securities of such series so to be redeemed as a whole or in part at their last address as the same appear on the Securities register. Such mailing shall be by first class mail. The notice if mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the holder receives such notice. In any case, failure to give such notice by mail or any defect in the notice to the holder of any Security of a series designated for redemption as a whole or in part shall not affect the validity of the proceedings for the redemption of any other Security of such series.

Each such notice of redemption shall specify the date fixed for redemption, the redemption price at which Securities of such series are to be redeemed, the place or places of payment, that

payment will be made upon presentation and surrender of such Securities, that interest accrued to the date fixed for redemption will be paid as specified in said notice, and that on and after said date interest thereon or on the portions thereof to be redeemed will cease to accrue. If less than all the Securities of such series are to be redeemed the notice of redemption shall specify the numbers of the Securities of that series to be redeemed. In case any Security of a series is to be redeemed in part only, the notice of redemption shall state the portion of the principal amount thereof to be redeemed and shall state that on and after the date fixed for redemption, upon surrender of such Security, a new Security or Securities of that series in principal amount equal to the unredeemed portion thereof will be issued.

Not more than seven days prior to the redemption date specified in the notice of redemption given as provided in this Section, the Company will deposit with the Trustee or with one or more paying agents an amount of money sufficient to redeem on the redemption date all the Securities so called for redemption at the appropriate redemption price, together with accrued interest to the date fixed for redemption.

If less than all the Securities of a series are to be redeemed the Company will give the Trustee notice not less than 60 days prior to the redemption date as to the aggregate principal amount of Securities of that series to be redeemed and the Trustee shall select, in such manner as in its sole discretion it shall deem appropriate and fair, the Securities of that series or portions thereof (in integral multiples of $1,000, except as otherwise set forth in the applicable form of Security) to be redeemed.

SECTION 16.03. Payment of Securities Called for Redemption. If notice of redemption has been given as provided in Section 16.02 or Section 16.04, the Securities or portions of Securities of the series with respect to which such notice has been given shall become due and payable on the date and at the place or places stated in such notice at the applicable redemption price, together with interest accrued to the date fixed for redemption, and on and after said date (unless the Company shall default in the payment of such Securities at the redemption price, together with interest accrued to said date) interest on the Securities or portions of Securities of any series so called for redemption shall cease to accrue. On presentation and surrender of such Securities at a place of payment specified in said notice, the said Securities or the specified portions thereof shall be paid and redeemed by the Company at the applicable redemption price, together with interest accrued thereon to the date fixed for redemption.

Upon presentation of any Security of any series redeemed in part only, the Company shall execute and the Trustee shall authenticate and deliver to the

holder thereof, at the expense of

the Company, a new Security or Securities of such series of authorized denominations, in principal amount equal to the unredeemed portion or the Security so presented.

SECTION 16.04. Mandatory and Optional Sinking Fund. The minimum amount of any sinking fund payment provided for by the terms of Securities of any series determined pursuant to Section 2.03 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". The last date on which any such payment may be made is herein referred to as a "sinking fund payment date".

In lieu of making all or any part of any mandatory sinking fund payment with respect to any Securities of a series in cash, the Company may at its option (a) deliver to the Trustee Securities of that series (other than any previously called for redemption) theretofore purchased or otherwise acquired by the Company and (b) may apply as a credit Securities of that series which have been previously delivered to the Trustee by the Company or Securities of that series which have been converted or redeemed either at the election of the Company pursuant to the terms of such Securities or through the application of optional sinking fund payments pursuant to the next succeeding paragraph, in each case in satisfaction of all or any part of any mandatory sinking fund payment, provided that such Securities have not been previously so credited. Each such Security so delivered or applied as a credit shall be credited at the sinking fund redemption price for such Securities and the amount of any mandatory sinking fund shall be reduced accordingly. If the Company intends so to deliver or credit such Securities with respect to any mandatory sinking fund payment it shall deliver to the Trustee at least 60 days prior to the next succeeding sinking fund payment date for such series (a) a certificate signed by the Treasurer or an Assistant Treasurer of the Company specifying the portion of such sinking fund payment, if any, to be satisfied by payment of cash and the portion of such sinking fund payment, if any, which is to be satisfied by delivering and crediting such Securities and (b) any Securities to be so delivered, if not previously delivered. All Securities so delivered to the Trustee shall be cancelled by the Trustee and no Securities shall be authenticated in lieu thereof. If the Company fails to deliver such certificate and Securities at or before the time provided above, the Company shall not be permitted to satisfy any portion of such mandatory sinking fund payment by delivery or credit of Securities.

At its option the Company may pay into the sinking fund for the retirement of Securities of any particular series, on or not more than seven days before

each sinking fund payment date for such series, any additional sum in cash as specified by the terms of such series of Securities. If the Company intends to exercise its

right to make any such optional sinking fund payment, it shall deliver to the Trustee at least 60 days prior to the next succeeding sinking fund payment date for such Series a certificate signed by the Treasurer or an Assistant Treasurer of the Company stating that the Company intends to exercise such optional right and specifying the amount which the Company intends to pay on such sinking fund payment date. If the Company fails to deliver such certificate at or before the time provided above, the Company shall not be permitted to make any optional sinking fund payment with respect to such sinking fund payment date. To the extent that such right is not exercised in any year it shall not be cumulative or carried forward to any subsequent year.

If the sinking fund payment or payments (mandatory or optional) made in cash plus any unused balance of any preceding sinking fund payments made in cash shall exceed $50,000 (or a lesser sum if the Company shall so request) with respect to the Securities of any particular series, it shall be applied by the Trustee or one or more paying agents 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. The Trustee shall select, in the manner provided in Section 16.02, for redemption on such sinking fund payment date a sufficient principal amount of Securities of such series to absorb said cash, as nearly as may be, and the Trustee shall, at the expense and in the name of the Company, thereupon cause notice of redemption of Securities of such series to be given in substantially the manner and with the effect provided in Sections 16.02 and 16.03 for the redemption of Securities of that series in part at the option of the Company, except that the notice of redemption shall also state that the Securities of such series are being redeemed for the sinking fund. Any sinking fund moneys not so applied or allocated by the Trustee or any paying agent to the redemption of Securities of that series shall be added to the next cash sinking fund payment received by the Trustee or such paying agent and, together with such payment, shall be applied in accordance with the provisions of this Section 16.04. Any and all sinking fund moneys held by the Trustee or any paying agent on the maturity date of the securities of any particular series, and not held for the payment or redemption of particular Securities of such series, shall be applied by the trustee or such paying agent, together with other moneys, if necessary, to be deposited sufficient for the purpose, to the payment of the principal of Securities at maturity.

On or not more than seven days before each sinking fund payment date, the

Company shall pay to the Trustee or to one or more paying agents in cash sum equal to all interest accrued to the date fixed for redemption on Securities to be redeemed on the next following sinking fund payment date pursuant to this Section.

Neither the Trustee nor any paying agent shall redeem any Securities of a series with sinking fund moneys, and the Trustee shall not mail any notice of redemption of Securities of such series by operation of the sinking fund, during the continuance of a default in payment of interest on such Securities or of any Event of Default (other than an Event of Default occurring as a consequence of this paragraph) with respect to such Securities, except that if the notice of redemption of any Securities shall theretofore have been mailed in accordance with the provisions hereof, the Trustee or any paying agent shall redeem such Securities if cash sufficient for that purpose shall be deposited with the Trustee or such paying agent for that purpose in accordance with the terms of this Article Sixteen. Except as aforesaid, any moneys in the sinking fund for such series at the time when any such default or Event of Default shall occur and any moneys thereafter paid into the sinking fund shall, during the continuance of such default or Event of Default, be held as security for the payment of all Securities of such series; provided, however, that in case such Event of Default or default shall have been cured or waived as provided herein, such moneys shall thereafter be applied on the next succeeding sinking fund payment date on which such moneys may be applied pursuant to the provisions of this Section 16.04

MORGAN GUARANTY TRUST COMPANY OF NEW YORK hereby accepts the trusts in this Indenture declared and provided, upon the terms and conditions hereinabove set forth.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed by their respective officers thereunto duly authorized and their respective corporate seals to be hereunto duly affixed and attested, all as of the day and year first above written.

MASCO INDUSTRIES, INC.
Company

By /s/JAMES J. SIGOUIN
Vice President

[CORPORATE SEAL]

Attest:

/s/TIMOTHY WADHAMS
Assistant Secretary

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MORGAN GUARANTY TRUST COMPANY
OF NEW YORK
Trustee

By /s/J. N. CREAN
Trust Officer

[CORPORATE SEAL]

Attest:

/s/G. J. CASTELLANO
Assistant Trust Officer

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State of Michigan)
) ss.:
County of Wayne)

On the 2nd of February, 1987, before me personally came JAMES J. SIGOUIN, to me known, who, being by me duly sworn, did depose and say that he resides at 570 Oxford, Grosse Pointe Woods, MI; that he is Vice President of MASCO INDUSTRIES, INC., the corporation described in and which executed the above instrument; that he knows the corporate seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said corporation; and that he signed his name thereto by like authority.

/s/DIANE G. KIRKENDALL
Notary Public

DIANE G. KIRKENDALL
Notary Public, Wayne County, MI
My Commission Expires 7-15-90

[NOTARIAL SEAL]

State of New York)
) ss.:
County of Kings)

On the 4th day of February, 1987, before me personally came J. N. CREAN, to me known, who, being by me duly sworn, did depose and say that he resides at Allendale, N. J. 07401; that he is Trust Officer of MORGAN GUARANTY TRUST COMPANY OF NEW YORK, one of the corporations described in and which executed the above instrument; that he knows the corporate seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said corporation, and that he signed his name thereto by like authority.

/s/WILLIAM P. MIFSUD, JR.
Notary Public

WILLIAM P. MIFSUD, JR.
Notary Public, State of New York
No. 4785483
Qualified in Kings County
Commission Expires Mar. 30, 1987

[NOTARIAL SEAL]

RESOLUTIONS
OF THE
PRICING COMMITTEE
OF THE
BOARD OF DIRECTORS
OF MASCOTECH, INC.

January 13, 1994

WHEREAS, the Company has filed a Registration Statement on Form S-3 (file no. 33-59222) with the Securities and Exchange Commission, which currently remains in effect.

WHEREAS, the Company desires to create and make provision for a series of securities under the Indenture dated as of November 1, 1986 (the "Indenture") with Morgan Guaranty Trust Company of New York, as trustee (the "Trustee"), which was filed as an exhibit to the Registration Statement, providing for the issuance from time to time of convertible or non-convertible unsecured subordinated debentures, notes or other evidences of indebtedness of the Company ("Securities") in one or more series under such Indenture; and

WHEREAS, capitalized terms used in these resolutions and not otherwise defined are used with the same meaning ascribed to such terms in the Indenture;

NOW, THEREFORE, BE IT RESOLVED, that there hereby is approved and established a series of Securities under the Indenture whose terms shall be as follows:

1. The Securities of such series shall be known and designated as the "4 1/2% Convertible Subordinated Debentures Due 2003" of the Company.

2. The aggregate principal amount of Securities of such series which may be authenticated and delivered under the Indenture is limited to Three Hundred Forty-Five Million Dollars ($345,000,000), except for Securities of such series authenticated and delivered upon registration of, transfer of, or in exchange for, or in lieu of, other Securities of such series pursuant to Sections 2.07, 2.08, 2.09, 11.04 or 16.03 of the Indenture.

3. The date on which the principal of the Securities of such series shall be payable is December 15, 2003.

4. The Securities of such series shall bear interest from January 21, 1994, at the annual rate of 4 1/2 percent, payable semi-annually on June 15 and December 15 of each year commencing on June 15, 1994 (calculated on a standard 360 day year of 12 thirty-day months) until the principal thereof is paid or made available for payment. The June 1 or December 1 (whether or not a Business Day), as the case may be, next preceding each such interest payment date shall be the "record date" for the determination of holders to whom interest is payable.

5. The principal of, and premium, if any, and interest on the Securities of such series shall be payable at the office or agency of the Company maintained for such purpose under Section 5.02 of the Indenture in the Borough of Manhattan, The City of New York, or at any other office or

agency designated by the Company for such purpose pursuant to the Indenture; provided, however, that, at the option of the Company, payment of interest may be made by check mailed to the address of the person entitled thereto as such address shall appear on the registry books of the Company.

6. The Securities of such series shall be subject to redemption at any time on or after December 22, 1996, in whole or in part, at the option of the Company, at a redemption price equal to the percentage of the principal amount set forth below if redeemed during the twelve-month period beginning December 15 in each of the following years, in each case together with interest accrued to the date fixed for redemption (subject to the right, if any, of the registered holder on the record date for an interest payment to receive such interest):

Year	Percentage
1996.	103.00%
1997.	102.50%
1998.	102.00%
1999	101.50%
2000	101.00%
2001	100.50%
2002	100.00%

7. The Company shall have the right to discharge or limit the Indenture as to the Securities of such series prior to maturity pursuant to the provisions of Section 13.01 of the Indenture.

8. The Securities of such series shall be convertible at any time on or after March 22, 1994 and prior to maturity, unless previously redeemed, into an aggregate maximum amount

of 11,129,032 fully paid and non-assessable shares of Company Common Stock, par value $1.00 per share, at a conversion price of $31.00 per share, such number of shares of Common Stock and conversion price being subject to adjustment as provided in the Indenture.

9. The Securities of such series shall be subordinated in right of payment to the prior payment in full of Senior Indebtedness (as defined in the Indenture) and so long as the Securities of such series are outstanding, the Company shall not create or incur "indebtedness of the Company for money borrowed" or "indebtedness of the Company incurred in

connection with the acquisition of property" that is subordinate and junior in right of payment to the prior payment of Senior Indebtedness, except such indebtedness that ranks pari passu with, or is subordinate and junior in right of payment to, the Securities of such series.

10. The Securities of such series shall be issuable in denominations of One Thousand Dollars ($1,000) and any integral multiple thereof.

11. The Company shall receive 97.75 percent of the price of such Securities sold to the public after discount of 2.25 percent.

FURTHER RESOLVED, that the Securities of such series are declared to be issued under the Indenture and subject to the provisions thereof;

FURTHER RESOLVED, that the Chairman of the Board, the President or any Vice President and the Secretary or any Assistant Secretary is authorized in the name and on behalf of the Company and under its corporate seal (which may be in the form of a facsimile of the seal of the Company) to execute $345,000,000 aggregate principal amount of the Securities of such series (and in addition Securities to replace lost, stolen, mutilated or destroyed Securities and Securities required for exchange, substitution or transfer, all as provided in the Indenture) in fully registered form, substantially in the form of the subordinated debenture filed as an exhibit to the Company's Registration Statement, with such changes and insertions therein as are appropriate to conform such debentures to the terms set forth herein or otherwise as the respective officers executing such Securities shall approve and as are not inconsistent with these resolutions, such approval to be conclusively evidenced by such officer's execution and delivery of such Securities, and to deliver such Securities to the Trustee for authentication and delivery in accordance with the terms of the Indenture, and the Trustee is authorized and directed thereupon to authenticate and deliver the same to or upon the written order of the Company as provided in the Indenture;

FURTHER RESOLVED, that the signatures of the officers of the Company so authorized to execute the Securities of such series may be the manual or facsimile signatures of the present or any future such authorized officers and may be imprinted or otherwise reproduced thereon, the Company for such purpose hereby adopting each such facsimile signature as binding upon it notwithstanding the fact that at the time the respective Securities shall be authenticated and delivered or disposed of, the officer so signing shall have ceased to be such officer;

FURTHER RESOLVED, that Smith Barney Shearson Inc., PaineWebber

Incorporated, Prudential Securities Incorporated and Salomon Brothers Inc are appointed as underwriters for the issuance and sale of the Securities of such series, and the Chairman of the Board, the President or any Vice President of the Company is authorized, in the name and on behalf of the Company, to execute and deliver an Underwriting Agreement, substantially in the form heretofore approved by the Board of Directors of the Company, with such underwriters and with such changes and insertions therein as are appropriate to conform such Underwriting Agreement to the terms set forth herein or otherwise as the respective officers executing such Underwriting Agreement shall approve and as are not inconsistent with these resolutions, such approval to be conclusively evidenced by such officer's execution and delivery of such Underwriting Agreement;

FURTHER RESOLVED, that Morgan Guaranty Trust Company of New York, the Trustee under the Indenture, is appointed trustee for Securities of such series, and as Agent of the Company for the purpose of effecting the registration, transfer, exchange and conversion of the Securities of such series as provided in the Indenture, and the corporate trust office of Morgan Guaranty Trust Company of New York, in the Borough of Manhattan, The City of New York is designated pursuant to the Indenture as the office or agency of the Company where such Securities may be presented for registration, transfer, exchange and conversion and where notices and demands to or upon the Company in respect of the Securities of such series and of the Indenture may be served;

FURTHER RESOLVED, that Morgan Guaranty Trust Company of New York, is appointed Paying Agent of the Company for the payment of principal of and premium, if any, and interest on the Securities of such series, and the corporate trust office of Morgan Guaranty Trust Company of New York, is designated, pursuant to the Indenture, as the office or agency of the Company where such Securities may be presented for payment; and

FURTHER RESOLVED, that each of the officers of the Company is authorized and directed in the name and on behalf of the Company to do or cause to be done all such acts and things as they or he may deem necessary or advisable, to effect the sale and delivery of the Securities of such series pursuant to the Underwriting Agreement

and otherwise to carry out the obligations of the Company under the Underwriting Agreement, and to do or cause to be done all such acts and things and to execute and deliver all such documents as they or he deem necessary or advisable in connection with the execution and delivery of the Underwriting Agreement, the execution, authentication and delivery of such Securities (including, without limiting the generality of the foregoing, delivery to the Trustee of such

Securities for authentication and of requests or orders for the authentication and delivery of Securities) and the listing of the Securities on The New York Stock Exchange.

AGREEMENT OF APPOINTMENT
AND
ACCEPTANCE OF SUCCESSOR TRUSTEE

THIS AGREEMENT dated as of August 4, 1994 (the "Agreement"), is among MascoTech, Inc. (the "Company"), Morgan Guaranty Trust Company of New York ("Morgan") and The First National Bank of Chicago ("First Chicago").

WHEREAS, Section 8.10 of the Indenture dated as of November 1, 1986 between the Company and Morgan (the "Indenture") provides that the Trustee thereunder may resign at any time by giving written notice of such resignation to the Company;

WHEREAS, Morgan gave such written notice, dated July 11, 1994, to the Company;

WHEREAS, Section 8.10 of the Indenture provides that in case the Trustee shall resign, the Company shall promptly appoint a successor Trustee thereunder;

WHEREAS, the Company's Board of Directors authorized the appointment of First Chicago as successor Trustee under the Indenture; and

WHEREAS, Section 8.11 of the Indenture provides that any successor Trustee appointed thereunder shall execute, acknowledge and deliver to the Company and the resigning Trustee thereunder an instrument accepting such appointment, and thereupon the resignation of such resigning Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts, immunities, duties and obligations of the resigning Trustee thereunder, with like effect as if originally named as Trustee therein.

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that for and in consideration of the premises and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company, Morgan and First Chicago hereby covenant and agree as follows:

1. The Company hereby accepts the resignation of Morgan as Trustee

under the Indenture, such resignation to become effective at the close of business on the date hereof. From the close of business on the date hereof and except as otherwise provided for herein, Morgan shall have no further responsibility for the exercise of the rights and powers or for the performance of the trusts and duties vested in the Trustee under the Indenture.

2. Pursuant to Section 8.10 of the Indenture, and in accordance with the resolutions duly adopted by the Company's Board of Directors, the Company hereby confirms its appointment of First Chicago as successor Trustee under the Indenture, effective as of the close of business on the date hereof, and hereby vests in First Chicago all the rights, powers, trusts, immunities, duties and obligations which Morgan now holds under and by virtue of the Indenture with like effect as if originally named as Trustee in the Indenture.

3. First Chicago hereby represents that it is qualified and eligible under Article Eight of the Indenture and under the Trust Indenture Act of 1939, as amended, to accept appointment as successor Trustee under the Indenture.

4. First Chicago hereby accepts, as of the close of business on the date hereof, its appointment as successor Trustee under the Indenture and assumes the rights, powers, trusts, immunities, duties and obligations which Morgan now holds under and by virtue of the Indenture, upon the terms and conditions set forth therein.

5. In accordance with Section 8.11 of the Indenture, Morgan hereby confirms, assigns, transfers and sets over to First Chicago, as successor Trustee under the Indenture, all rights, powers, trusts, immunities, duties and obligations which Morgan now holds under and by virtue of the Indenture, and does hereby assign, transfer and deliver to First Chicago, as such Trustee, all property and money held by Morgan as Trustee under the Indenture.

6. In accordance with Section 8.11 of the Indenture, the Company and Morgan, for the purpose of more fully and certainly vesting in and confirming to First Chicago, as successor Trustee under the Indenture, the rights, powers, trusts, immunities, duties and obligations of such Trustee with like effect as if originally named as Trustee in the Indenture, agree upon reasonable request of First Chicago to execute, acknowledge and deliver such further instruments of conveyance and further assurance and to do such other things as may be reasonably required for more fully and certainly vesting and confirming in First Chicago all rights, powers, trusts, immunities, duties and obligations which Morgan now holds under and by virtue of the Indenture.

7. Promptly after the execution hereof, Morgan shall mail the notice of the resignation of Morgan and the succession of First Chicago as successor Trustee in accordance with Sections 8.10 and 8.11 of the Indenture. Such notice shall be in the form attached hereto as Exhibit A.

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8. This Agreement may be executed in any number of counterparts all of which taken together shall constitute one and the same Agreement, and any of the parties hereto may execute this Agreement by signing any such counterpart.

9. This Agreement shall be governed by the laws of the State of New York, both in interpretation and performance.

10. Unless otherwise defined, all terms used herein with initial capital letters shall have the meaning given them in the Indenture.

11. Morgan hereby represents and warrants to First Chicago that: (a) no covenant or condition contained in the Indenture has been waived by Morgan or, to the best of the knowledge of the officers assigned to Morgan's Corporate Trust Department, by the Holders of the percentage in aggregate principal amount of the Securities required by the Indenture to effect any such waiver; (b) there is no action, suit or proceeding pending or, to the best of the knowledge of the officers assigned to Morgan's Corporate Trust Department, threatened against Morgan before any court or any governmental authority arising out of any action or omission by Morgan as Trustee under the Indenture; (c) to the best of the knowledge of the officers assigned to Morgan's Corporate Trust Department, no Event of Default, or event which, with the giving of notice or passage of time or both, would become an Event of Default, has occurred and is continuing; and (d) Morgan has furnished, or as promptly as practicable will furnish, to First Chicago originals of all documents relating to the trust created by the Indenture and all material information in its possession relating to the administration and status thereof and will furnish to First Chicago any of such documents or information First Chicago may reasonably request, provided that First Chicago will make available to Morgan as promptly as practicable following the request of Morgan any such original documents which Morgan may need to defend against any action, suit or proceeding against Morgan as Trustee or which Morgan may need for any other proper purpose.

12. The Company hereby represents and warrants to First Chicago and Morgan that no Event of Default, or event which, with the giving of notice or passage of time or both, would become an Event of Default, has occurred and is continuing.

13. Except as hereinabove expressly set forth, all other terms and provisions set forth in the Indenture shall remain in full force and effect and without any change whatsoever being made hereby.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and acknowledged as of the date first written above.

MASCOTECH, INC.

By:/s/ Timothy Wadhams
Name: Timothy Wadhams
Title: Vice President

[Seal]
Attest:

/s/ Eugene A. Gargaro, Jr.
Secretary

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK, as resigning
Trustee

By:/s/ Michael Culhane
Name: Michael Culhane
Title: Vice President

[Seal]
Attest:

/s/ M. E. McNulty
Assistant Secretary

THE FIRST NATIONAL BANK OF
CHICAGO, as successor Trustee

By:/s/ R. D. Manella
Name: R. D. Manella
Title: Vice President

[Seal]
Attest:

/s/ T. Marshall
Trust Officer

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State of Michigan)

) ss
County of Wayne)

On the 2nd day of August, 1994, before me personally came Timothy Wadhams, to me known, who, being by me duly sworn, did depose and say that he is a Vice President of MascoTech, Inc., the corporation described in and which executed the above instrument; that he knows the corporate seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said corporation; and that he signed his name thereto by like authority.

/s/ Nancy S. Steinrock
Notary Public
Wayne County, Michigan
My Comm. Exp.: Nov. 9, 1994

[NOTARIAL SEAL]

State of New York)
) ss
County of New York)

On the 2nd day of August, 1994, before me personally came Michael Culhane, to me known, who, being by me duly sworn, did depose and say that he is a Vice President of Morgan Guaranty Trust Company of New York, the corporation described in and which executed the above instrument; that he knows the corporate seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said corporation; and that he signed his name thereto by like authority.

/s/ Thomas J. Courtney
Notary Public
State of New York
No. 24-4996233
Qualified in Kings County
My Comm. Exp.: May 11, 1996

[NOTARIAL SEAL]

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State of Illinois)
) ss
County of Cook)

On the 3rd day of August, 1994, before me personally came R.D. Manella, to me known, who, being by me duly sworn, did depose and say that he is a Vice

President of First Chicago, the corporation described in and which executed the above instrument; that he knows the corporate seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said corporation; and that he signed his name thereto by like authority.

/s/ Nancy Lopez
Notary Public
State of Illinois
My Comm. Exp.: May 21, 1997

[NOTARIAL SEAL]

Exhibit A

NOTICE OF RESIGNATION OF TRUSTEE
AND
APPOINTMENT OF SUCCESSOR TRUSTEE

To the Holders of the MascoTech, Inc. 4 1/2% Convertible Subordinated Debentures Due 2003:

NOTICE IS HEREBY GIVEN THAT, pursuant to Sections 8.10 and 8.11 of the Indenture (the "Indenture") dated as of November 1, 1986 between MascoTech, Inc. (formerly Masco Industries, Inc.) (the "Company") and Morgan Guaranty Trust Company of New York ("Morgan Guaranty"), under which the above-referenced Securities were issued:

1. Morgan Guaranty has resigned as Trustee under the Indenture.

2. The Company has appointed The First National Bank of Chicago ("First Chicago") as successor Trustee under the Indenture, and First Chicago has accepted such appointment.

3. The following is the office or agency of the Company where securities issued under the Indenture may be presented for payment, or presented for registration of transfer and for exchange as provided in the Indenture and where notices and demands to or upon the Company in respect of any of the Securities issued under the Indenture or the Indenture may be served:

The First National Bank of Chicago
c/o First Chicago Trust Company of New York
14 Wall Street, 8th Floor
New York, New York 10005

Attention: Corporate Trust Administration

Dated: August 5, 1994

MASCOTECH, INC.

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

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SUPPLEMENTAL INDENTURE

THIS SUPPLEMENTAL INDENTURE, dated as of August 5, 1994, between MascoTech, Inc., a Delaware corporation (the "Company"), and The First National Bank of Chicago, as trustee (the "Trustee").

WHEREAS, the Company entered into an Indenture dated as of November 1, 1986 with Morgan Guaranty Trust Company (the "Indenture");

WHEREAS, the Trustee is the successor trustee under the Indenture; and

WHEREAS, Section 11.01(g) the Indenture provides for supplemental indentures to make changes, provided such action does not adversely affect the interests of the holders of the Securities.

NOW, THEREFORE, the parties agree as follows:

1. Section 8.10 of the Indenture shall be amended by inserting the following as a new subparagraph (e):

> "(e) Notwithstanding the provisions of Section 8.12, in connection with any sale or proposed sale of all or any portion of the corporate trust business of any Trustee hereunder or any other transaction that would result in a change of control of such corporate trust business, and provided that no Event of Default exists, the Company may remove the Trustee and appoint a successor trustee by written instrument, in duplicate, executed by order of the Board of Directors, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor trustee. Any removal of the Trustee and appointment of a successor trustee pursuant to the foregoing shall become effective upon acceptance of appointment by the successor trustee as provided in Section 8.11."

2. Except as hereinabove expressly set forth, all other terms and provisions set forth in the Indenture shall remain in full force and effect and

without any change whatsoever being made hereby.

IN WITNESS WHEREOF, the parties have caused this Supplemental Indenture to be executed and acknowledged as of the date first written above.

MASCOTECH, INC.

By:/s/ Timothy Wadhams

Timothy Wadhams
Vice President

[Seal]
Attest:

/s/ Eugene A. Gargaro, Jr.

Secretary

THE FIRST NATIONAL BANK OF CHICAGO

By:/s/ R. D. Manella

R. D. Manella
Vice President

[Seal]
Attest:

/s/ T. Marshall

State of Michigan)
) ss
County of Wayne)

On the 2nd day of August, 1994, before me personally came Timothy Wadhams, to me known, who, being by me duly sworn, did depose and say that he is a Vice President of MascoTech, Inc., the corporation described in and which executed the above instrument; that he knows the corporate seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said corporation; and that he signed his name thereto by like authority.

/s/ Nancy S. Steinrock

Notary Public
Wayne County, Michigan
My Comm. Exp.: Nov. 9,1994

[NOTARIAL SEAL]

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State of Illinois)
) ss
County of Cook)

On the 3rd day of August, 1994, before me personally came R.D. Manella, to me known, who, being by me duly sworn, did depose and say that he is a Vice President of The First National Bank of Chicago, the corporation described in and which executed the above instrument; that he knows the corporate seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said corporation; and that he signed his name thereto by like authority.

/s/ Nancy Lopez

Notary Public
State of Illinois
My Comm. Exp.: May 21, 1997

[NOTARIAL SEAL]

EXHIBIT 10.d

STOCK REPURCHASE AGREEMENT

This Agreement is made as of May 1, 1984 between Masco Corporation, a Delaware corporation ("Masco"), and Masco Industries, Inc., a Delaware corporation ("Industries").

WHEREAS, Masco is transferring to Industries certain assets pursuant to the Masco Corporation Corporate Restructuring Plan (the "Plan") dated as of May 1, 1984 and proposes thereafter, pursuant to the Plan, to distribute as a dividend (the "Distribution") in excess of 40% of Industries' Common Stock, $1.00 par value (the "Common Stock"), to the stockholders of Masco;

WHEREAS, as a result of the Distribution, Industries will become a publicly held corporation and Masco will initially own approximately 50% of the Common Stock;

WHEREAS, employees of the consultants to Masco and Industries and their respective subsidiaries may on the date of the Distribution possess share awards of Common Stock under the Masco Corporation 1984 Restricted Stock (Industries) Incentive Plan (the "Masco Plan") which are forfeitable to Masco upon the occurrence of the events specified therein, Industries has established its own Restricted Stock Incentive Plan and may in the future establish additional plans (the "Industries Plans") under which shares of Common Stock of Industries could be awarded to employees of the consultants to Industries and its subsidiaries and affiliated companies subject to forfeiture to Industries, and Industries may in the future desire to repurchase shares of its outstanding Common Stock; and

WHEREAS, Masco desires to prevent any of the foregoing events, without the concurrence of Masco, from resulting in an increase in Masco's percentage ownership of

the outstanding Common Stock as it exists immediately prior to occurrence of such event;

NOW, THEREFORE, the parties hereby agree as follows:

1. If at any time prior to May 1, 1994, (a) Industries or any of its subsidiaries shall repurchase any Common Stock or (b) any shares of Common Stock, which have been awarded to any employees of or consultants to Industries or its subsidiaries or affiliated companies pursuant to the Industries Plans, or which have been awarded to any employees of or consultants to Industries or its subsidiaries or affiliated companies or Masco or its subsidiaries or affiliated

companies pursuant to the Masco Plan, shall be forfeited to Industries or Masco pursuant to the terms thereof, Industries shall offer to Masco the opportunity to sell to Industries on the terms and conditions hereinafter set forth, the number of shares of Common Stock (the "Offered Shares") necessary to prevent any increase in the percentage of outstanding shares of Common Stock owned by Masco immediately prior to such repurchase or forfeiture.

2. Promptly after any forfeiture pursuant to the Masco Plan should Masco desire to sell shares of Common Stock to Industries, Masco shall notify Industries thereof, specifying the number of shares of Common Stock so forfeited. Promptly after any such repurchase by Industries or forfeiture pursuant to the Industries Plans, Industries shall notify Masco thereof in writing, specifying the number of shares of Common Stock so repurchased or forfeited and the number of shares of Common Stock required to be sold by Masco to Industries to prevent the increase in percentage ownership as provided in Paragraph 1. Industries shall thereafter offer Masco the opportunity for 30 days from the date of either of such notices to sell to Industries all (or such lesser number as is

specified by Masco in its acceptance referred to in Paragraph 3) of the Offered Shares for a purchase price (the "Purchase Price") equal to (a) in the case of a repurchase of Common Stock by Industries, the highest repurchase price paid by Industries to a third party during the 30-day period ending on the date of such repurchase or (b) in the case of the forfeiture of shares of Common Stock pursuant to the Industries Plans or the Masco Plan, as the case may be, the fair market value of shares of the Common Stock at the close of trading on the date of such forfeiture.

3. If Masco shall accept Industries' offer within the 30-day period specified in Paragraph 2 above by written notice to Industries, then on the date 5 days after the date of Masco's acceptance, Masco shall deliver to Industries duly executed certificates representing the Offered Shares as to which Industries' offer has been accepted against receipt from Industries of the amount of the Purchase Price for such Offered Shares.

4. This agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

5. This Agreement shall not be assigned by either party, except to a successor to substantially all of the business of a party, without the express written consent of the other party.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

MASCO CORPORATION MASCO INDUSTRIES, INC.

By /s/Wayne B. Lyon
Executive Vice President

By /s/Richard A. Manoogian
President

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September 20, 1985

Mr. Richard G. Mosteller
Masco Corporation
21001 Van Born Road
Taylor, Michigan 48180

Re: Restricted Stock Incentive Plans

Dear Mr. Mosteller:

This will confirm (i) our arrangements regarding reimbursement of costs relating to unvested incentive award shares of Masco Corporation ("Masco") common stock and Masco Industries, Inc. ("Industries") common stock upon transfers of employment and consulting relationships between Masco and Industries, (ii) our arrangements regarding reimbursement upon forfeitures of such shares, and (iii) our prior understandings on the implementation of the Stock Repurchase Agreement dated May 1, 1984 between Masco and Industries with respect to Industries' repurchases of its common stock from Masco following the forfeiture of shares of Industries common stock granted under either Masco's or Industries' restricted stock incentive plan (the "Industries Stock Incentive Plans") and following open market repurchases of such stock by Industries. These procedures have been established in order to attribute the cost of such incentive shares in respect of the employees of consultants to Masco and Industries and to permit Masco, among other things, to achieve its expressed objective of maintaining its equity ownership in Industries at not more than 50% after any forfeiture of Industries incentive award shares. These procedures are not intended to alter the rights of the parties under the Corporate Restructuring Plan or the Stock Repurchase Agreement except as expressly provided herein, and may be terminated by Masco or Industries at any time without cause, effective ten days after notice of termination.

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1. Transfers.

If a person changes employment or a consulting relationship from Masco to Industries or from Industries to Masco, the new employer will reimburse the former employer for the cost on the books of the former employer which is associated with unvested shares of Masco common stock or Industries common stock awarded under a Masco or Industries incentive plan, to the extent such shares may continue to vest while the person is engaged by the new employer.

2. Forfeitures By Industries Employees and Consultants.

A. Shares of Industries common stock forfeited by an Industries employee or consultant which were granted pursuant to either of the Industries Stock Incentive Plans are deemed automatically acquired by Industries from the employee or consultant as of the date of the forfeiture notwithstanding any contrary provision in either of the Industries Stock Incentive Plans. Industries waives its right under Paragraph 4.02 of the Corporate Restructuring Plan to require Masco to pay Industries an amount equal to the unamortized cost of Industries shares forfeited by Industries employees which were granted under Masco's Industries Stock Incentive Plan and no amount is payable by Industries to Masco on account of Industries' acquisition of such forfeited shares.

B. Shares of Masco common stock that were granted under the Masco Restricted Stock Incentive Plan are forfeited by Industries employees and consultants to Masco upon termination of employment or the consulting relationship. Masco will reimburse Industries for the cost on Industries' books which is associated with such forfeited Masco shares.

3. Forfeitures By Masco Employees and Consultants.

If Masco's equity ownership in Industries would exceed 50% at the end of any month, shares of Industries common stock forfeited by Masco employees and consultants during such month are deemed automatically acquired by Industries from those employees and consultants (notwithstanding any contrary provision in Masco's Industries Stock Incentive Plan) on the last day of such month to the extent necessary so that Masco's ownership will not exceed 50% as of such date. Industries will reimburse Masco for its loss arising from such forfeiture by paying to Masco an amount equal to the fair market value of such shares (as determined under Paragraph 4 hereof) on the last trading day of such month.

4. Repurchase Of Industries Shares On Account of Forfeitures.

If Masco's equity ownership in Industries would exceed 50% at the end of any month in which forfeited Industries shares are deemed automatically acquired by Industries, Industries is deemed to repurchase from Masco, on the

last day of such month, additional shares of Industries common stock to the extent necessary so that Masco's ownership of Industries common stock does not exceed 50% as of the last day of such month. Pursuant to Paragraph 2(b) of the Stock Repurchase Agreement, the price for the Industries shares so repurchased from Masco is the fair market value of such shares at the close of trading on the last trading day of such month (which is determined by the last sale price for Industries shares as reported in the NASDAQ National Market System).

5. Repurchase of Industries Shares On Account Of Open Market Purchases.

If Masco's equity ownership in Industries would exceed 50% at the end of any month in which Industries makes open market purchases of its common stock in connection with awards of shares under its Industries Stock Incentive Plan or in connection with employee stock options, Industries is deemed to repurchase from Masco, on the last day of such month, shares of Industries common stock to the extent necessary so that Masco's ownership of Industries common stock does not exceed 50% as of the day of such month. Notwithstanding Paragraph 2(a) of the Stock Repurchase Agreement, the price for the Industries shares so repurchased from Masco is the weighted average price paid by Industries for its open market share purchases during such month. If Masco's equity ownership of Industries would exceed 50% at the end of any month in which forfeited Industries shares are deemed automatically acquired by Industries and in which Industries makes open market purchases of the types contemplated under Paragraph 5 hereof, shares shall be deemed to be repurchased by Industries first pursuant to paragraph 4. If, after such repurchases pursuant to paragraph 4, Masco's equity ownership would still exceed 50%, shares shall then be deemed to be repurchased by Industries pursuant to this Paragraph 5.

6. Quarterly Settlement. Masco and Industries will effect a quarterly settlement of the amounts required hereunder to be (i) reimbursed upon the transfer of employment or a consulting relationship between Masco and Industries, (ii) reimbursed to Masco upon the forfeiture of Industries shares by Masco employees and consultants, (iii) reimbursed to Industries upon the forfeiture of Masco shares by Industries employees and consultants, and (iv) paid to Masco for any repurchase of Industries shares pursuant to Paragraphs 4 and 5 hereof.

7. Additional Provisions.

A. Appropriate instructions will be given to Industries'

transfer agent to reflect Industries' ownership of forfeited Industries shares and repurchase of additional Industries shares.

B. Masco and Industries will promptly notify each other of forfeitures of shares which are subject to these procedures.

C. These procedures are deemed to be effective as of May 1, 1984, notwithstanding the fact that certain reports prepared prior to the date hereof are inconsistent herewith, and this letter supersedes any prior arrangements with respect to such procedures.

Please confirm your agreement with the foregoing procedures.

Sincerely,

/s/James J. Sigouin
James J. Sigouin
Vice President - Finance

Confirmed by
Masco Corporation:

By /s/Richard G. Mosteller
Richard G. Mosteller
Senior Vice President -
Finance

AMENDMENT TO STOCK REPURCHASE AGREEMENT

AMENDMENT dated as of December 20, 1990 between Masco corporation, a Delaware corporation ("Masco"), and Masco Industries, Inc., a Delaware corporation ("Industries").

WHEREAS, Masco and Industries are parties to a Stock Repurchase Agreement dated as of May 1, 1984 and a related letter agreement dated September 20, 1985; and

WHEREAS, Masco and Industries desire to amend the Stock Repurchase Agreement in connection with the transactions contemplated by the Exchange Agreement dated as of December 18, 1990 between Masco and Industries;

NOW, THEREFORE, the parties agree that Paragraph 1 of the Stock Repurchase Agreement dated as of May 1, 1984 is amended to read as follows:

"1. If at any time prior to May 1, 1994, (a) Industries or any

of its subsidiaries shall repurchase any Common Stock or (b) any shares of Common Stock, which have been awarded to any employees of or consultants to Industries or its subsidiaries or affiliated companies pursuant or Masco or its subsidiaries or affiliated companies pursuant to the Masco Plan, shall be forfeited to Industries or Masco pursuant to the terms thereof, and as a result of such repurchase or forfeiture the percentage of outstanding shares of Common Stock owned by Masco would increase to an amount in excess of 49%, Industries shall offer to Masco the opportunity to sell to Industries on the terms and conditions hereinafter set forth, the number of shares of Common Stock (the "Offered Shares") necessary to reduce the percentage of outstanding shares of Common Stock owned by Masco to 49%."

Except as specifically amended hereby, the Stock Repurchase Agreement and related letter agreement referred to above remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year first above written.

MASCO CORPORATION

BY/s/Gerald Bright
Vice President
and Secretary

MASCO INDUSTRIES, INC.

BY/s/ Erwin H. Billig
President and Chief
Operating Officer

EXHIBIT 10.e

AMENDED AND RESTATED
SECURITIES PURCHASE AGREEMENT

THIS AMENDED AND RESTATED SECURITIES PURCHASE AGREEMENT, dated as of November 23, 1993 (hereinafter referred to as "this Agreement"), amends and restates the Securities Purchase Agreement, dated as of March 31, 1993, between MascoTech, Inc., a Delaware corporation (formerly known as Masco Industries, Inc., the "Company"), and Masco Corporation, a Delaware corporation ("Masco").

WHEREAS, the Company desires to have the right to sell to Masco, and Masco is willing to purchase from the Company at its request, from time to time, up to $200 million principal amount of subordinated debt securities upon the terms and conditions hereinafter set forth;

NOW, THEREFORE, the parties agree as follows:

1. Authorization of Issues of Securities. (a) The Company has authorized the issuance and delivery of separate series of subordinated debt securities ("Securities"), such Securities to have substantially the same terms and provisions as the form of subordinated note attached hereto as Exhibit A.

(b) The Securities shall be issued in separate series with the interest rate on each such series being a rate per annum that is 400 basis points over the average Treasury Rate (as hereinafter defined) for the week preceding the week in which the notice of purchase referred to in Paragraph 2 is given to Masco. "Treasury Rate" means the rate for noncallable direct obligations of the United States ("Treasury Notes") having a remaining maturity of five years, as published in the Federal Reserve Statistical Release H.15(519) (or any successor publication provided by the Board of Governors of the Federal Reserve System) under the heading "Treasury Constant Maturities." If a rate for Treasury Notes having a remaining maturity of five years has not been so published or reported for the preceding week as provided above by 1:00 P.M., New York City time, on the day such notice is given to Masco, then the Treasury Rate shall be calculated by the Company and shall be a yield to maturity (expressed as a bond equivalent, on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) of the arithmetic mean of the secondary market bid rates, as of approximately 1:30 P.M., New York City time, on the date of such notice, of three leading primary United States government securities dealers selected by the Company for the purchase of Treasury Notes with a remaining maturity of five years.

(c) Each issuance of Securities shall constitute a separate and discrete series of securities and may be redeemed pursuant to Section 5.1 of the form of subordinated note attached hereto as Exhibit A without regard to the redemption of any other Securities.

(d) The parties confirm that the Securities constitute "Subordinated Debentures" under the Registration Agreement between them dated as of March 31, 1993.

2. Obligation to Purchase. (a) Subject to the terms and conditions set forth herein, Masco agrees to purchase, at par, at any time or from time to time on or before March 31, 1997, upon the Company's written notice, up to $200 million aggregate principal amount of Securities (the "Commitment"). The Company's written notice shall specify the principal amount of Securities that Masco is required to purchase (which for each respective issuance of Securities shall be $10 million or any larger multiple of $1 million) and the interest rate, as determined in accordance with the provisions of Paragraph 1(b). The interest rate set forth in such notice shall be final and binding in the absence of manifest error.

(b) The Commitment is not revolving in nature, and any Securities repurchased, redeemed or otherwise acquired by the Company shall not restore the Commitment. The Company may reduce or terminate the unused portion of the Commitment at any time by written notice to Masco.

3. Closing. (a) Any closing of a sale of Securities to Masco hereunder shall occur at Masco's offices on the tenth Business Day (as hereinafter defined) after the Company gives Masco the written notice referred to in Paragraph 2. The term "Business Day" shall mean any day, except a Saturday, Sunday or other day on which commercial banks in New York City are authorized by law to close, on which commercial banks are open for international business (including dealings in dollar deposits) in London.

(b) At each closing, provided the Company has paid all commitment fees then due and payable under Paragraph 4 and provided the Company's representations and warranties set forth in Paragraphs 6(b) through 6(f) shall then be true and correct, Masco shall deliver to the Company immediately available funds in an amount equal to the aggregate principal amount of Securities being purchased.

(c) At each closing, the Company shall deliver to Masco one or more certificates for the Securities being issued, registered in the name of Masco (or such other person as Masco may designate prior to the closing) with any such legend that may be appropriate and in such denominations of $1,000 and any multiple thereof as Masco may specify prior to the closing. The Company's delivery of the certificates representing the Securities being purchased shall automatically be deemed to be a representation by the Company that all of the representations and warranties set forth in Paragraphs 6(b) through 6(f) are true and correct as of the date of closing. The accuracy of such representations and warranties shall be a condition to Masco's obligation to purchase such Securities.

4. Commitment Fee. (a) The Company shall pay Masco a commitment fee for Masco's Commitment hereunder at the rate of 0.125% per annum on the daily average amount by which the Commitment exceeds the principal amount of Securities purchased by Masco hereunder (including Securities previously issued and redeemed).

(b) The commitment fee shall continue to accrue from and including the date hereof to but excluding the date on which the aggregate principal amount of Securities purchased by Masco hereunder (including Securities previously issued and redeemed) equals the Commitment (as may be reduced or terminated by the Company pursuant to Paragraph 2(b)). Such fee shall be computed for the actual number of days elapsed and shall be payable quarterly on the last day of each calendar quarter, and upon fulfillment of the Commitment in its entirety or the earlier termination of the Commitment.

5. Representations of Masco. Masco represents and warrants to the Company that:

(a) Masco is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and is authorized by its certificate of incorporation to carry on its business as now conducted.

(b) The execution, delivery and performance by Masco of this Agreement and the consummation by Masco of the transactions contemplated hereby are within the corporate powers of Masco and have been duly authorized by all necessary corporate action on the part of Masco. This Agreement constitutes a valid and binding agreement of Masco.

(c) The execution, delivery and performance of this Agreement do not result in any violation by Masco of any indenture, mortgage or other agreement or instrument by which Masco or any of its Subsidiaries (as hereinafter defined) is bound.

(d) No authorization, consent or approval of, or registration or filing with, any governmental or public body or regulatory authority is required on the part of Masco which has not been obtained for the purchase by Masco of the Securities contemplated by this Agreement, and such a purchase will not result in any violation by Masco of any of the terms or provisions of its certificate of incorporation or by-laws.

(e) Masco has received such information from the Company as it deems necessary and sufficient in order to make an informed investment decision regarding its commitment to purchase Securities hereunder. Masco is a sophisticated investor, with such knowledge and experience in financial matters that it is capable of evaluating the risks and merits of an investment in the Securities, and is

purchasing such Securities for its own account for investment and (subject, to the extent necessary, to the disposition of its property being at all times within its control) not with a view to any distribution or other disposition thereof, and is proceeding on the assumption that it must bear the economic risk of any such investment for an indefinite period since such Securities may not be sold except as set forth below. If Masco decides to dispose of any of the Securities acquired pursuant to this Agreement or any securities issued in exchange or substitution therefor (which it does not presently contemplate), it will not offer, sell or deliver any such securities, directly or indirectly, except in compliance with the Securities Act of 1933.

6. Representations of the Company. The Company represents and warrants to Masco that:

(a) (i) As of the date hereof, the Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware, and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted.

(ii) As of the date hereof, (1) each of the Company's Subsidiaries is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, and has all corporate powers and all material governmental licenses, authorization, consents and approvals required to carry on its business as now conducted, and (2) all of the outstanding shares of capital stock of each such Subsidiary have been duly authorized and validly issued and are fully paid and non-assessable and are owned directly or indirectly by the Company (except for directors' qualifying shares of certain such Subsidiaries and equity interests in Subsidiaries owned by Persons (as hereinafter defined) other than the Company which individually or in the aggregate are not material to the Company and its Subsidiaries taken as a whole) free and clear of all Liens (as hereinafter defined), except Liens not material to the Company and its Subsidiaries taken as a whole.

(iii) The following terms, as used herein, have the following meanings:

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset.

"Person" means an individual, a corporation, a partner- ship, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Subsidiary" means, with respect to any Person, any corporation or

other entity of which a majority of the capital stock or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned by such Person.

(b) The execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the transactions contemplated hereby are within the Company's corporate powers and have been duly authorized by all necessary corporate action on the part of the Company. This Agreement constitutes a valid and binding agreement of the Company.

(c) The Securities issuable from time to time pursuant to this Agreement have been duly authorized by all necessary corporate action on the part of the Company and, if and when such Securities are issued pursuant to this Agreement, such Securities will constitute valid and binding obligations of the Company.

(d) Assuming the truth and accuracy of Masco's representations and warranties set forth in Paragraph 5(e), no authorization, consent or approval of, or registration or filing with, any governmental or public body or regulatory authority is required on the part of the Company for the issuance of the Securities pursuant to this Agreement prior to the issuance of Securities hereunder, and such issuance will not result in any violation by the Company of any of the terms or provisions of the certificate of incorporation or bylaws of the Company.

(e) The execution, delivery and performance by the Company of this Agreement and the issuance of Securities pursuant to this Agreement do not result in any violation by the Company of any of the terms or provisions of any indenture, mortgage or other agreement or instrument by which the Company or any of its Subsidiaries is bound.

(f) The Company is not and, after giving effect to any proposed issuance of Securities for which the Company has given written notice, will not be in default with respect to any of the Securities or any other of the Company's securities acquired from the Company by Masco or any of its Subsidiaries; and there is no event which, with the giving of notice or passage of time, would

constitute a default with respect to any of the Securities or any other of the Company's securities acquired from the Company by Masco or any of its Subsidiaries.

7. Opinions of Counsel. Concurrently with the execution hereof,

(a) Masco is delivering to the Company an opinion of John R. Leekley, counsel to Masco, dated the date hereof, to the effect specified in Paragraphs 5(a) through 5(d).

(b) The Company is delivering to Masco an opinion of Dykema Gossett, counsel to the Company, dated the date here of, to the effect specified in Paragraphs 6(a)(i) and 6(b) through 6(d).

8. Miscellaneous. All notices, requests and other communi cations to either party hereunder shall be in writing (including telex, telecopy or similar writing) and shall be delivered by hand and receipted for by the party to whom such communication shall have been directed or mailed by certified mail return receipt requested to the following address (or to such other address as the party receiving such communication has theretofore advised the other party in the manner provided for herein):

(a) If to Masco, to:

21001 Van Born Road
Taylor, Michigan 48180
Telecopy: (313) 374-6430
Attention: President

with a copy to:

John R. Leekley
Vice President and
General Counsel
Masco Corporation
21001 Van Born Road
Taylor, Michigan 48180
Telecopy: (313) 374-6430

except in the case of notices required under Paragraph 2, in which case each such notice shall be deemed delivered only upon actual receipt, directed to:

Masco Corporation
21001 Van Born Road
Taylor, Michigan 48180
Telecopy: (313) 374-6135
Attention: Robert B. Rosowski
Vice President - Controller

(b) If to the Company, to:

21001 Van Born Road
Taylor, Michigan 48180
Telecopy: (313) 374-6136

Attention: President

with a copy to:

Lloyd A. Semple
Dykema Gossett
400 Renaissance Center
Detroit, Michigan 48243
Telecopy: (313) 568-6915

9. Amendments; No Waivers. This Agreement may not be amended or terminated, nor any condition or term hereof be waived orally, but only by an instrument in writing duly executed by the parties hereto or, in the case of a waiver, by the party other wise entitled to performance. No failure or delay by either party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

10. Expenses. All costs and expenses incurred in connection with this Agreement shall be paid by the party incurring such cost or expense.

11. Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided that neither party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of the other party hereto, except that Masco may transfer or assign, in whole or from time to time in part, to one or more of its affiliates, its obligation to purchase all or a portion of the Securities, but no such transfer or assignment will relieve Masco of its obligations hereunder.

12. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Michigan.

13. Counterparts; Effectiveness. This Agreement may be signed in any number of counterparts, each of which shall be deemed an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by the other party hereto.

14. Captions. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof.

IN WITNESS WHEREOF, the parties hereto here caused this Agreement to be duly executed by their respective authorized

officers as of the day and year first above written.

MASCO CORPORATION

By /s/Richard G. Mosteller

Its Senior Vice President-Finance

MASCOTECH, INC.

By Timothy Wadhams

Its Vice President - Controller

Exhibit A

FORM OF SUBORDINATED NOTE

[insert appropriate legend]

No. [ ] $[Principal Amount]

MASCOTECH, INC.

__% Subordinated Note Due [5 years from original issue date], Series ___

MascoTech, Inc., a Delaware corporation (together with its successors and assigns the "Issuer"), for value received hereby promises to pay to _____ or registered assigns the principal sum of _____, on the Stated Maturity Date (as hereinafter defined) or any earlier redemption

date, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, and to pay interest, semiannually in arrears, on April 1 and October 1 (unless such day is not a Business Day (as hereinafter defined), in which event on the next succeeding Business Day) (each an "Interest Payment Date") of each year in which this Note remains outstanding, commencing with _____, 19__, on the unpaid principal sum hereof outstanding in like coin or currency, at the rates per annum set forth below, by check mailed to the address of the holder as such address shall appear in the Register (as hereinafter defined), from the most recent Interest Payment Date to which interest has been paid on this Note, or if no interest has been paid on this Note, from _____, 19__, until payment in full of the principal sum hereof has been made.

The interest rate shall be a rate per annum that is specified on the face hereof (the "Interest Rate"). Further, the Issuer shall pay interest on overdue principal at a rate per annum 1% above the rate borne by this Note at the time the same became overdue (the "Overdue Rate"), and interest on overdue installments of interest, to the extent lawful, at the Overdue Rate. Interest payments on this Note will include interest accrued to but excluding the Interest Payment Dates or the Stated Maturity Date (or any earlier redemption or repayment date), as the case may be. Interest on this Note will be calculated on the basis of a 360 day year of twelve 30-day months.

Notwithstanding anything herein to the contrary, the interest or any amount deemed to be interest payable by the Issuer with respect to this Note shall not exceed the maximum amount permitted by applicable law and, to the extent that any payments in excess of such permitted amount are received by the holder, such excess shall be considered payments in respect of the principal amount of this Note. All sums paid or agreed to be paid to the holder for the use, forbearance or retention of the indebtedness of the Issuer to the holder shall, to the extent permitted by applicable law, be deemed to be amortized, prorated, allocated and spread throughout the full term of such indebted ness until payment in full of the principal so that the interest on account of such indebtedness shall not exceed the maximum amount permitted by applicable law.

This Note is one of a duly authorized issue of subordinated notes designated as the ___% Subordinated Notes Due _____, Series ____ of the Issuer, limited in aggregate principal amount to $_____ (hereinafter called the "Notes").

This Note is transferable and assignable to one or more purchasers (in any multiple of $10,000), subject to the restrictions on transfer, if any, referred to on the face hereof. The Issuer agrees to issue from time to time replacement Notes in the form hereof to facilitate such transfers and assignments. In addition, after delivery of an indemnity in form and substance satisfactory to the Issuer, the Issuer also agrees to issue replacement Notes for Notes which have been lost, stolen, mutilated or destroyed.

The Issuer shall keep at its principal office a register (the "Register") in which shall be entered the names and address es of the registered holders of the Notes and particulars of the respective Notes held by them and of all transfers of such Notes. The ownership of the Notes shall be proven by the Register. For the purpose of paying interest and principal on the Notes, the Issuer shall be entitled to rely on the names and addresses in the Register and notwithstanding anything to the contrary contained in this Note, no Event of Default shall occur under Section 4.1(a) or (b) if payment of interest and principal is made in accordance with the names and addresses and particulars contained in the Register.

SECTION 1.1. Certain Terms Defined. The following terms (except as otherwise expressly provided or unless the context otherwise clearly requires) for all purposes of this Note shall have the respective meanings specified below. All accounting terms used herein and not expressly defined shall have the meanings given to them in accordance with generally accepted accounting principles, and the term "generally accepted accounting principles" shall mean such accounting principles which are generally accepted as of the time of any such determination. The terms defined in this Section 1.1 include the plural as well as the singular.

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

"Business Day" means any day except a Saturday, Sunday or other day on which commercial banks in the City of New York are authorized by law to close.

"Event of Default" means any event or condition specified as such in Section 4 which shall have continued for the period of time, if any, therein designated.

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

"Senior Indebtedness" means (a) all indebtedness of the Issuer for money borrowed (including without limitation obligations of the Issuer in respect of overdrafts, foreign exchange contracts, swaps, letters of credit, bankers' acceptance, or any loan or advance from a bank whether or not evidenced by promissory notes or other instruments) or incurred in connection with the acquisition of property, whether outstanding on the date of execution of this

Note or thereafter created, assumed or incurred, including but not limited to, the Issuer's 6% Convertible Subordinated Debentures due 2011, the Issuer's 10% Senior Subordinated Notes due 1995 and the Issuer's 10-1/4% Senior Subordinated Notes due 1997, except (i) other notes issued pursuant to the Amended and Restated Securities Purchase Agreement between the Issuer and Masco Corporation,a Delaware corporation ("Masco"), dated as of November 23, 1993, all of which notes shall rank pari passu intersese, (ii) such indebtedness of the Issuer as is by its terms expressly stated to be not superior in right of payment to the Notes or to rank pari passu with the Notes, and (iii) indebtedness of the Issuer to an Affiliate of the Issuer provided that in no event will Masco Corporation or any Affiliate of Masco Corporation (other than the Issuer or Affiliates controlled by the Issuer) be deemed to be an affiliate of the Issuer for purposes of this definition of Senior Indebtedness, (b) any guaranty, endorsement or other contingent obligation of the Issuer in respect of, or to purchase or otherwise acquire, any indebtedness of another for money borrowed or incurred in connection with the acquisition of property, and (c) any deferrals, renewals or extensions of any such Senior Indebtedness, or debentures, notes or other evidences of indebtedness issued in exchange for such Senior Indebtedness. The term "indebtedness of

the Issuer for money borrowed" as used in the foregoing sentence shall mean any obligation of the Issuer for borrowed money, whether or not evidenced by notes or other written obligations, and any indebtedness of the Issuer evidenced by bonds, notes or debentures or other similar instruments. The term "indebtedness of the Issuer incurred in connection with the acquisition of property" as used in the first sentence of this definition shall mean any purchase money obligation (whether or not secured by any lien or other security interest) created or assumed as all or part of the consideration for the acquisition of property whether by purchase, merger, consolidation or otherwise (but not including any account payable or any other obligation created or assumed by the Issuer in the ordinary course of business in connection with the obtaining of materials or services) and any indebtedness arising under a lease of property, equipment or other assets which, pursuant to generally accepted accounting principles then in effect, is classified as a liability on the Issuer's balance sheet.

"Stated Maturity Date" means [the date that is five years from the date of issuance]

"Subsidiary" means, with respect to any Person, any corporation or other entity of which a majority of the capital stock or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned by such Person.

SECTION 2.1. Payment of Principal and Interest. No provision of this Note shall alter or impair the obligations of the Issuer, which are absolute and

unconditional, to pay the principal of and interest on this Note at the place, times, and rate, and in the currency, herein prescribed.

SECTION 3. Covenants.

SECTION 3.1. Offices for Notices and Transfers, etc. So long as any of the Notes remain outstanding, the Issuer will maintain an office or agency where the Notes may be presented for registration of transfer and for exchange and an office or agency where notices and demands to or upon the Issuer in respect of the Notes may be served. The Issuer will give to the holders of the Notes written notice of any change of location of any such office or agency thereof.

SECTION 3.2. Provision as to Paying Agent. The Issuer shall act as its own paying agent and will, on or not more than seven days before each due date of the principal of or interest on the Notes, set aside, segregate and hold in trust for the benefit of the holders of the Notes of such series a sum sufficient to pay such principal or interest so becoming due.

SECTION 3.3 Subordination of Subsidiary Indebtedness. The Issuer shall obtain an agreement from each of its Subsidiaries, comparable to the letter agreement dated January 29, 1987 between the Issuer and its subsidiaries executed in connection with the sale of convertible subordinated debentures and senior subordinated notes, to the effect that, so long as any Notes are outstanding, all indebtedness of the Issuer to such Subsidiary for money borrowed or incurred in connection with the acquisition of property shall be subordinated and junior in right of payment to the prior payment in full of all such Notes in the same manner and to the same extent as such Notes are subordinated and junior in right of payment to the prior payment in full of all Senior Indebtedness (as defined herein).

SECTION 4. Events of Default and Remedies.

SECTION 4.1. Events of Default. "Event of Default", whenever used herein with respect to any Note means any one of the following events:

(a) default in the payment of interest upon any Note when it becomes due and payable and continuance of such default for a period of 30 days; or

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

(c) default in the performance, or breach, of any covenant of the Issuer in any Note (other than a covenant, a default in whose performance or whose breach is elsewhere in this Section or elsewhere in the corresponding provision in any such other Note specifically dealt with), and continuance of such default or breach for a period of 90 days after there has been given, by registered or certified mail, to the Issuer by the

holders of at least 25% in principal amount of the outstanding Notes, a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" under the Notes; or

(d) a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Issuer in an involuntary case under any applicable bankruptcy, insolvency or other similar law or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or other similar official of the Issuer or for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and such decree or order shall remain unstayed and in effect for a period of 90 consecutive days; or

(e) the Issuer shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, shall consent to the entry of an order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Issuer or of any substantial part of its property, or shall make any general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due.

If an Event of Default described in clause (a), (b) or (c) occurs and is continuing, then, and in each and every such case, unless the principal of all of the Notes shall have already become due and payable, the holders of not less than 25% in aggregate principal amount of the Notes of this Series then outstanding, by notice in writing to the Issuer, may declare the entire principal of all the Notes and the interest accrued thereon, if any, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable. If an Event of Default described in clause (d) or (e) occurs, the principal of and accrued interest on the Notes shall become and be immediately due and payable without any declaration or other act on the part of any holder of Notes.

The foregoing provisions, however, are subject to the condition that if, at any time after the principal of the Notes shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided, the Issuer shall pay or shall deposit in trust for the benefit of the holders of the Notes a sum sufficient to pay all matured installments of interest upon all of the Notes and the principal of the Notes (with interest upon such principal and, to the extent that payment of such interest is enforceable under applicable law, on overdue installments of interest to the date of such payment or deposit) and if any and all Events of Default under this Note other than the non-payment of the principal shall have been cured, waived or otherwise remedied as provided herein, then and in every such case the holders of a majority in aggregate principal amount of the Notes then outstanding, by written notice to the Issuer,

may waive all defaults with respect to the Notes and rescind and annul such declaration and its consequences, but no such waiver or rescission and annulment shall extend to or shall affect any subsequent default or shall impair any right consequent thereon.

SECTION 4.2. Powers and Remedies Cumulative; Delay or Omission Not Waiver of Default. All powers and remedies given by this Section 4 to the holders of Notes shall, to the extent permitted by law, be deemed cumulative and not exclusive of any thereof or of any other powers and remedies available to the holders of the Notes, by judicial proceedings or otherwise, to

enforce the performance or observance of the covenants and agreements contained in this Note and no delay or omission of any holder of any of the Notes to exercise any right or power accruing upon any default occurring and continuing as aforesaid shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence therein; and, every power and remedy given by this Note or by law to the holders of Notes may be exercised from time to time, and as often as shall be deemed expedient, by the holders of Notes.

SECTION 4.3. Waiver of Past Defaults by Majority of Holders. Subject to Section 4.1, the holders of a majority in aggregate principal amount of the Notes at the time outstanding may on behalf of the holders of all of the Notes waive such default or Event of Default and its consequences except a default in the payment of principal of or interest on any of the Notes. Upon any such waiver the Issuer and the holders of the Notes shall be restored to their former positions and rights hereunder, but no such waiver shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon. Whenever any default or Event of Default shall have been waived as permitted by this Section 4.3, said default or Event of Default shall for all purposes of the Notes be deemed to have been cured and to be not continuing.

SECTION 5. Redemption.

SECTION 5.1. Optional Redemption. The Notes may be redeemed at the option of the Issuer as a whole, or from time to time in part, at any time prior to maturity, at a price equal to the principal amount of the Notes so redeemed, together in each case with accrued interest to the date fixed for redemption, upon mailing notice of such redemption not less than 30 nor more than 60 days prior to the date fixed for redemption to the holders of Notes at their last addresses as the same appear on the Register. Such mailing shall be by first class mail. The

notice if mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the holder receives such notice. In any case, failure to give such notice by mail or any defect in the notices to the holder of any Note designated for redemption shall not affect the validity of the proceedings for the redemption of any other Note.

If less than all of the Notes are to be redeemed, the Issuer will select (a) by lot or by such other manner as may be prescribed by resolution of the Board of Directors of the Issuer and (b) to the extent Masco, or any Subsidiary thereof, holds Notes, the Issuer shall allow Masco to select, in its sole discretion, the specific Notes then owned by Masco or its Subsidiaries to be redeemed (provided that Masco informs the Issuer no later than the day prior to the date of such redemption of the specific Notes selected for redemption), the Notes or portions thereof (in integral multiples of $1,000) to be redeemed in a minimum amount of

$1,000,000 unless less than $1,000,000 of the Notes remain outstanding in which case all of the Notes must be redeemed.

Upon presentation of any Note redeemed in part only, the Issuer shall execute and deliver to the holder thereof, at the expense of the Issuer, a new Note or Notes of authorized denominations, in principal amount equal to the unredeemed portion of the Note so presented.

SECTION 5.2. Change of Control Put. (a) The holder of this Note shall have the right, at such holder's option, upon the giving of notice of the occurrence of any event described in clause (b) below, and subject to the terms and provisions hereof, to tender any Note, in whole or in part, without regard to whether the Note is then otherwise redeemable, for cash in an amount equal to the principal amount of such Note plus accrued interest to the date fixed for redemption. Such redemption shall occur on the sixty-fifth day after the date of the notice provided pursuant to clause (c) below (the "Mandatory Redemption Date"). The holder's right to tender shall continue up to the sixtieth day after the date of such notice and shall be exercised by any surrender of such Note to the office or agency to be maintained by the Issuer pursuant to Section 3.1, accompanied by written notice that the holder elects to tender such Note and (if so required by the Issuer) by a written instrument or instruments of transfer in form satisfactory to the Issuer duly executed by the holder or such holder's duly authorized legal representative and transfer tax stamps or funds therefor,

if required. All Notes surrendered for redemption shall be cancelled by the Issuer.

(b) The holder's right to tender under clause (a) above shall be triggered upon the occurrence of either of the following events:

(i) Any person or group (an "other entity"), within the meaning of Section 13(d) (3) of the Securities Exchange Act of 1934, shall attain beneficial ownership, within the meaning of Rule 13d-3 adopted under the Securities Exchange Act of 1934, of at least 50% of the voting power for election of the Directors of the Issuer, unless approved in advance by a majority of the Issuer's Continuing Directors has hereinafter defined), or

(ii) The Issuer, directly or indirectly, consolidates or merges with any other entity or sells or leases its properties and assets substantially as an entirety to any other entity, unless approved in advance by a majority of the Issuer's Continuing Directors.

A "Continuing Director" is a Director who is a member of the Board of Directors of the Issuer elected by stockholders prior to the time the other entity acquires in excess of 10% of the voting

power for the election of Directors of the Issuer or a person recommended to succeed a Continuing Director by a majority of the Continuing Directors.

(c) The Issuer shall mail to each holder of Notes at such holder's last address appearing on the Register, as promptly as possible but in any event not more than ten days after learning of an occurrence specified in subclause (b) (i) above or not more than ten days after an occurrence specified in subclause (b) (ii) above, a notice stating that the event specified in the notice has occurred and that each holder has the right to tender such holder's Notes for cash pursuant to the terms hereof. Upon demand to the Issuer at any time by any holder of Notes, such notice shall be mailed to each holder of Notes, unless the Issuer can demonstrate to the holder's satisfaction that no event

described in clause (b) has occurred.

(d) On or before the sixty-second day after the date of the notice provided pursuant to clause (c) above, the Issuer shall set aside, segregate and hold in trust for the benefit of the holders of the Notes to be redeemed an amount of money sufficient to pay the principal of, and accrued interest on, all the Notes to be redeemed on the Mandatory Redemption Date.

(e) After giving the notice of redemption as provided above, the Notes to be redeemed shall, on the Mandatory Redemption Date, become due and payable at a price equal to the principal amount thereof plus accrued interest and from and after such date (unless the Issuer shall default in the payment of principal and accrued interest thereon) such Notes shall cease to bear interest. Upon surrender of any such Note for redemption in accordance herewith, such Note shall be paid on the Mandatory Redemption Date by the Issuer at a price equal to the principal amount thereof, together with accrued interest to the Mandatory Redemption Date.

If any Note to be redeemed shall not be so paid on the Mandatory Redemption Date, the principal and accrued interest thereon shall, until paid, bear interest from the Mandatory Redemption Date at the Overdue Rate.

(f) Notes may be redeemed in whole or in any integral multiple of $1,000. Any Note which is to be redeemed only in part shall be surrendered at an office or agency of the Issuer designated for that purpose (with, if the Issuer so requires, due endorsement by, or a written instrument to transfer in form satis-factory to the Issuer duly executed by, the holder thereof or such holder's attorney duly authorized in writing), and the Issuer shall execute and deliver to the holder of such Note without service charge, a new Note or Notes, of any authorized denomination in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal amount.

SECTION 6. Subordination of Notes.

SECTION 6.1. Agreement to Subordinate. The Issuer covenants and agrees, and each holder of Notes by such holder's acceptance thereof likewise covenants and agrees, that all Notes shall be issued subject to the provisions of this

Section; and each Person holding any Note, whether upon original issue or upon transfer or assignment thereof, accepts and agrees to be bound by such provisions. The provisions of this Section are made for the benefit of the holders of Senior Indebtedness, and such holders shall, at any time, be entitled to enforce such provisions against the Issuer or any holders of Notes.

All Notes shall, to the extent and in the manner hereinafter in this Section set forth, be subordinate and junior in right of payment to the prior payment in full of all Senior Indebtedness.

SECTION 6.2. No Payment on Notes if Senior Indebtedness in Default. No payment on account of principal or interest on the Notes shall be made unless full payment of amounts then due for principal, premium, if any, sinking funds and interest on all Senior Indebtedness has been made or duly provided for. No payment on account of principal or interest on the Notes shall be made if, at the time of such payment or immediately after giving effect thereto, (i) there shall exist a default in the payment of principal, premium, if any, sinking funds or interest with respect to any Senior Indebtedness, or (ii) there shall have occurred an event of default (other than a default in the payment of principal, premium, if any, sinking funds or interest) with respect to any Senior Indebtedness, as defined therein or in the instrument under which the same is outstanding, permitting the holders thereof to accelerate the maturity thereof, and such event of default shall not have been cured or waived or shall not have ceased to exist.

SECTION 6.3. Priority of Senior Indebtedness. In the event of any insolvency or bankruptcy proceedings, and any receivership, liquidation, reorganization under the Federal Bankruptcy Code or any other similar applicable Federal or state law, or other similar proceedings in connection therewith, relative to the Issuer or to its creditors, as such, or to its property, and in the event of any proceedings for voluntary liquidation, dissolution or other winding up of the Issuer or assignment for the benefit of creditors or any other marshalling of assets of the Issuer, whether or not involving insolvency or bankruptcy, then the holders of Senior Indebtedness shall be entitled to receive payment in full of all principal of and premium, if any, and interest on all Senior Indebtedness including interest on such Senior Indebtedness after the date of filing of a petition or other action commencing such proceeding before the holders of the Notes are entitled to receive any payment on account of the principal of or interest on the Notes and any payment or distri- bution of any kind or character which may be payable or deliver able in any such proceedings in respect of the

Notes, except securities which are subordinate and junior in right of payment to the payment of all Senior Indebtedness then outstanding, shall be paid by the person making such payment or distribution directly to the holders of Senior

Indebtedness to the extent necessary to make payment in full of all Senior Indebtedness, after giving effect to any concurrent payment or distribution to the holders of Senior Indebtedness. In the event that any payment or distribution of cash, property or securities shall be received by the holders of the Notes in contravention of this Section before all Senior Indebtedness is paid in full, or provision made for the payment thereof, such payment or distribution shall be held in trust for the benefit of and shall be paid over to the holders of such Senior Indebtedness or their repre- sentative or representatives, or to the trustee or trustees under any indenture under which any instrument evidencing any of such Senior Indebtedness may have been issued, as their respective interests may appear, to the extent necessary to pay in full all Senior Indebtedness remaining unpaid, after giving effect to any concurrent payment or distribution to the holders of such Senior Indebtedness.

In the event that any Note is declared due and payable before its expressed maturity because of the occurrence of an Event of Default (under circumstances when the provisions of the first paragraph of this Section shall not be applicable), the holders of the Senior Indebtedness outstanding at the time the Notes so become due and payable because of such occurrence of such an Event of Default shall be entitled to receive payment in full of all principal of and premium, if any, and interest on all Senior Indebtedness before the holders of the Notes are entitled to receive any payment on account of the principal of or interest on the Notes.

SECTION 6.4. Subrogation of Notes. Subject to the payment in full of all Senior Indebtedness, the holders of the Notes shall be subrogated to the rights of the holders of Senior Indebtedness to receive payments or distributions of assets of the Issuer made on the Senior Indebtedness until the principal of and interest on the Notes shall be paid in full; and, for the purposes of such subrogation, no payments or distributions to the holders of Senior Indebtedness of any cash, property or securities to which the holders of the Notes would be entitled except for the provisions of this Section, and no payment over pursuant to the provisions of this Section to the holders of Senior Indebtedness by holders of the Notes, shall, as between the Issuer, its creditors other than the holders of Senior Indebtedness, and the holders of Notes, be deemed to be a payment by the Issuer to or on account of Senior Indebtedness, and no payments or distributions to the holders of the Notes of cash, property or securities payable or distributable to the holders of the Senior Indebtedness to which the holders of the Notes shall become entitled pursuant to the provisions of this Section, shall, as between the Issuer, its creditors other than the holders of Senior Indebtedness, and the holders of the Notes, be

deemed to be a payment by the Issuer to the holders of or on account of the Notes.

SECTION 6.5. Issuer Obligation to Pay Unconditional. The provisions of this Section are solely for the purpose of defining the relative rights of the holders of Senior Indebtedness on the one hand, and the holders of the Notes on the other hand, and nothing herein shall impair, as between the Issuer and the holders of the Notes, the obligation of the Issuer, which is unconditional and absolute, to pay to the holders thereof the principal thereof and interest thereon in accordance with the terms of the Notes nor shall anything herein prevent the holders of the Notes from exercising all remedies otherwise permitted by applicable law or under the Notes upon default under the Notes, subject to the rights of holders of Senior Indebtedness under the provisions of this Section to receive cash, property or securities otherwise payable or deliverable to the holders of the Notes.

SECTION 7. Miscellaneous.

SECTION 7.1. Modification of Notes. The Notes may be modified without prior notice to any holder but with the written consent of the holders of a majority in principal amount of the Notes. Subject to Section 4.1 and Section 4.3, the holders of a majority in principal amount of the Notes may waive compliance by the Issuer with any provision of the Notes without prior notice to any holder. However, without the consent of each holder affected, an amendment, supplement or waiver may not (1) reduce the amount of Notes whose holders must consent to an amendment, supplement or waiver, (2) reduce the rate or extend the time for payment for interest on any Notes, (3) reduce the principal amount of or extend the fixed maturity of any Notes or alter the redemption provisions with respect thereto or (4) make any Notes payable in money or property other than as stated in the Notes.

The Issuer will use its best efforts to qualify an indenture with respect to this Note at or prior to the time such qualification is required under the Trust Indenture Act of 1939, as amended, or similar law then in effect.

SECTION 7.2. Miscellaneous. This Note shall be deemed to be a contract under the laws of the State of Michigan and for all purposes shall be construed in accordance with the laws of said State, except as may otherwise be required by mandatory provi- sions of law. The parties hereto, including all guarantors or endorsers, hereby waive presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Note, except as specifically provided herein, and assent to extensions of the time of payment, or forbearance or other indulgence without notice. The holder of this Note by acceptance of this Note agrees to be bound by the provisions (including the subordination provisions) of this Note

which are expressly binding on such holder. In determining whether the

holders of the requisite aggregate principal amount of Notes have concurred in any direction, consent or waiver as pro- vided under the Notes, Notes which are owned by the Issuer or any Subsidiary of the Issuer shall be disregarded and deemed not to be outstanding for the purpose of any such determination. The Section headings herein are for convenience only and shall not affect the construction hereof.

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

Dated:

[Seal] MASCOTECH, INC.

By:
Name:
Title:

AGREEMENT

This Agreement is dated as of November 23, 1993 between MascoTech, Inc., a Delaware corporation (the "Company"), and Masco Corporation, a Delaware corporation ("Masco").

WHEREAS, in addition to certain shares of Company common stock, par value $1.00 per share (the "Common Stock"), and warrants to purchase Common Stock, Masco holds (i) $130 million (the "Masco Debentures") of the Company's 6% Convertible Subordinated Debentures Due 2011 (the "Debentures"), which are redeemable at any time by the Company and convertible at any time into Common Stock at $18 per share of Common Stock, and (ii) the one million outstanding shares of the Company's 10% Exchangeable Preferred Stock (the "Preferred Stock").

WHEREAS, the Company has been contemplating calling for redemption all of the Debentures (including the Masco Debentures), and Masco is willing to refrain from selling or otherwise disposing of Common Stock or other Company securities

for a period of time in order to facilitate the call for redemption of all of the Debentures.

WHEREAS, it is in the interest of the Company to repurchase the Preferred Stock for cash in order to reduce its financing costs and such repurchase is not inconsistent with Masco's previously stated intention to reduce its investment in the Company.

WHEREAS, the Company and Masco have entered into a Securities Purchase Agreement dated as of March 31, 1993 (the "Securities Purchase Agreement") pursuant to which Masco has agreed to purchase from the Company at its request on or before March 31, 1995 additional preferred stock or subordinated debt securities for an aggregate purchase price of up to $200 million, and the parties desire to amend and restate the Securities Purchase Agreement in certain respects.

WHEREAS, the Company and Masco have entered into a Stock Repurchase Agreement dated as of May 1, 1984, as amended (the "Stock Repurchase Agreement"), pursuant to which the Company has agreed to repurchase from Masco,until May 1, 1994, such number of shares of Common Stock as may be necessary to prevent Masco's Common Stock ownership interest in the Company from exceeding 49%, and the parties are agreeable to extending the term thereof.

NOW, THEREFORE, the parties agree as follows:

1. Conversion of Debentures. Masco agrees that (a) on

or before December 31, 1993 it will surrender for conversion the Masco Debentures, and (b)it will not sell or otherwise dispose of any Common Stock, warrants to purchase Common Stock or Debentures (whether now held or acquired on conversion) on or before December 31, 1993. If Masco surrenders the Masco Debentures for conversion prior to December 15, 1993, the Company will pay Masco an amount equal to the interest accrued on the Masco Debentures from the last regular semi-annual interest payment date to the date of conversion.

2. Repurchase of Preferred Stock. The Company shall repurchase the Preferred Stock for $100 per share, plus an amount equal to accrued and unpaid dividends from October 1, 1993 to the date of repurchase, payable in cash on the date of such repurchase. Such repurchase shall occur as soon as practicable after the execution of this Agreement.

3. Amendment to Securities Purchase Agreement.

Concurrently herewith the parties are entering into an Amended and Restated Securities Purchase Agreement. The parties hereby confirm that all securities issuable pursuant to the Amended and Restated Securities Purchase Agreement will be "Registrable Securities" under the Registration Agreement between them dated as of March 31, 1993.

4. Amendment to Stock Repurchase Agreement. The parties hereby amend Paragraph 1 of the Stock Repurchase Agreement by deleting the date "May 1, 1994" and substituting therefor the date "May 1, 2004". Except as otherwise specifically set forth herein, the Stock Repurchase Agreement shall continue in full force and effect.

5. Representations and Warranties. (a) Each party represents and warrants to the other that the following statements are true and correct as of the date hereof and will be true and correct at the time Masco surrenders the Masco Debentures for conversion and at the time of the repurchase of the Preferred Stock:

(i) It is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and is authorized by its certificate of incorporation to carry on its business as now conducted.

(ii) The execution, delivery and performance of this Agreement by such party and the consummation by such party of the transactions contemplated hereby are within the corporate powers of such party and have been duly authorized by all necessary corporate action on its part. This Agreement constitutes a valid and binding agreement of such party.

(iii) No authorization, consent or approval of, or registration or filing with, any governmental or public body or regulatory authority is required and which has not been obtained on the part of such party for the execution, delivery and performance of this Agreement by such party.

(iv) The execution, delivery and performance of this Agreement by such party do not result in any violation by it of any of the terms or provisions of its certificate of incorporation or by-laws or of any indenture, mortgage or other agreement or instrument by which it or any of its Subsidiaries (as hereinafter defined) is bound.

(b) Masco represents and warrants to the Company that Masco has, and at the time of the repurchase of the Preferred

Stock will have, unencumbered title to the Preferred Stock, free and clear of any Liens (as hereinafter defined), and delivery by Masco of the Preferred Stock will pass unencumbered title to the Company, free and clear of any Liens .

(c) The Company represents and warrants to Masco that the repurchase of the Preferred Stock from Masco will be effected in compliance with the Delaware General Corporation Law.

6. Legal Opinions. Concurrently with the execution hereof, Masco is delivering to the Company an opinion of John R. Leekley, counsel to Masco, and the Company is delivering to Masco an opinion of Dykema Gossett, counsel to the Company, in each case dated the date hereof and to the effect of certain of the matters specified in Paragraph 5 hereof.

7. Definitions. The following terms, as used herein, have the following meanings:

(a) "Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset.

(b) "Person" means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

(c) "Subsidiary" means, with respect to any Person, any corporation or other entity of which a majority of the capital stock or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned by such Person.

8. Captions. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof.

WHEREFORE, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

MASCO CORPORATION

By /s/Richard G. Mosteller

Its Senior Vice President -
Finance

MASCOTECH, INC.

By /s/Timothy Wadhams
Its Vice President -
Controller

AMENDMENT NO. 1 TO AMENDED AND
RESTATED SECURITIES PURCHASE AGREEMENT

This Amendment is made as of October 31, 1996, between Masco Corporation, a Delaware corporation ("Masco"), and MascoTech, Inc., f/k/a Masco Industries, Inc., a Delaware corporation (the "Company" or the "Issuer"), concerning that certain Amended and Restated Securities Purchase Agreement (the "Securities Purchase Agreement"), dated as of November 23, 1993, between Masco and the Company. All capitalized terms not otherwise defined in this Amendment shall have the meanings given them in the Securities Purchase Agreement.

A. Masco holds 24,824,690 shares of the Common Stock, par value $1.00 per share, of the Company (the "Tech Common Stock");

B. Concurrently herewith, the Company has, among other things, repurchased from Masco 17,000,000 shares of Tech Common Stock;

C. In connection therewith, Masco and the Company desire to amend certain provisions of the Securities Purchase Agreement as set forth herein.

IN CONSIDERATION of the mutual covenants and agreements contained in this Amendment, the parties agree to amend the Securities Purchase Agreement as follows:

1. Paragraph 1(b) is hereby amended to read in its entirety as follows:

(b) The Securities shall be issued in separate series with the interest rate on each such series being a rate per annum that is the higher of: (I) 400 basis points over the average Treasury Rate (as hereinafter defined) for the week preceding the week in which the notice of purchase referred to in Paragraph 2 is given to Masco; or (ii) 75 basis points over the Comparable Debt Issuance Rate (as hereinafter defined).

"Treasury Rate" means the rate for noncallable direct obligations of

the United States ("Treasury Notes") having a remaining maturity of five years, as published in the Federal Reserve Statistical Release H.15(519) (or any successor publication provided by the Board of Governors of the Federal Reserve System) under the heading "Treasury Constant Maturities." If a rate for Treasury Notes having a remaining maturity of five years has not been so published or reported for the preceding week as provided above by 1:00 P.M., New York City time, on the day such notice is given to Masco, then the Treasury Rate shall be calculated by the

Company and shall be a yield to maturity (expressed as a bond equivalent, on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) of the arithmetic mean of the secondary market bid rates, as of approximately 1:30 P.M., New York City time, on the date of such notice, of three leading primary United States government securities dealers selected by the Company for the purchase of Treasury Notes with a remaining maturity of five years.

The "Comparable Debt Issuance Rate" means a per annum rate of interest determined as follows:

Each of the Company and Masco shall select an investment banker within 3 business days from the date the notice of purchase referred to in Paragraph 2 is given to Masco, and those two investment bankers shall have 3 business days to select a third investment banker. Each of the three investment bankers shall have qualifications with respect to the sale of debt instruments of manufacturing and industrial companies. Each of the three investment bankers shall have 3 business days to determine, in its good faith opinion, the per annum rate of interest that the Company would be required to pay if it were to issue the relevant series of Securities to third party investors in a transaction negotiated at arms'-length and priced as of the date the notice of purchase referred to in Paragraph 2 is given to Masco, and each banker shall set forth its conclusion in a letter addressed to each of Masco and the Company and delivered to each of them by 12:00 noon EST on the 10th day from the date of the notice of purchase given to Masco. The arithmetic mean of the interest rates determined by each of the three investment bankers shall be the Comparable Debt Issuance Rate.

2. Paragraph 2(a) is hereby amended to read in its entirety as follows:

(a) Subject to the terms and conditions set forth herein, Masco agrees to purchase, at par, at any time or from time to time on or

before March 31, 2002, upon the Company's written notice, up to $200 million aggregate principal amount of Securities (the "Commitment"). The Company's written notice shall specify the principal amount of Securities that Masco is required to purchase (which for each respective issuance of Securities shall be $10 million or any larger multiple of $1,000,000). The interest rate for such Securities shall be determined in accordance with the provisions of Paragraph 1(b).

3. The first sentence of Paragraph 3(a) is hereby amended to read in its entirety as follows:

(a) Any closing of a sale of Securities to Masco hereunder shall occur at Masco's offices on the 10th Business Day (as hereinafter defined) after the Company gives Masco the written notice referred to in Paragraph 2.

4. Section 5.2(b) of the Form of Subordinated Note attached as Exhibit A to the Securities Purchase Agreement is hereby amended to read in its entirety as follows:

(b) The holder's right to tender under clause (a) above shall be triggered upon the occurrence of either of the following events:

(i) Any person or group (an "other entity"), within the meaning of Section 13 (d) (3) of the Securities Exchange Act of 1934, shall attain beneficial ownership, within the meaning of Rule 13d-3 adopted under the Securities Exchange Act of 1934, or at least 50% of the voting power for election of the Directors of the Issuer, or,

(ii) The Issuer, directly or indirectly, consolidates or merges with any other entity or sells or leases its properties and assets substantially as an entirety to any other entity, provided that this clause shall not apply to a transaction in which the Company is the surviving company in any merger or consolidation and in which the stock issued in such a transaction is less than 40% of the common stock of the Company issued and outstanding after the transaction.

5. A new Section 2 (c) is hereby added to read in its entirety as follows:

(c) The Commitment shall terminate upon the occurrence of either of the following events:

(i) Any person or group (an "other entity"), within the meaning of Section 13 (d) (3) of the Securities Exchange Act

of 1934, shall attain beneficial ownership, within the meaning of Rule 13d-3 adopted under the Securities Exchange Act of 1934, or at least 50% of the voting power for election of the Directors of the Issuer, or,

(ii) The Issuer, directly or indirectly, consolidates or merges with any other entity or sells or leases its properties and assets substantially as an entirety to any other entity, provided that this clause shall not apply to a transaction in which the Company is the surviving company in any merger or consolidation and in which the stock issued in such a transaction is less than 40% of the common stock of the Company issued and outstanding after the transaction.

6. All other terms and conditions of the Securities Purchase Agreement are hereby ratified and confirmed and remain in full force and effect.

IN WITNESS WHEREOF, the parties have duly executed] and delivered this Amendment as of the date first above written.

MASCO CORPORATION

By:/s/ John R. Leekley
Name: John R. Leekley
Title: Senior Vice President and General Counsel

MASCOTECH, INC.

By: /s/ Timothy Wadhams
Name: Timothy Wadhams
Title: Vice President-Controller and Treasurer

EXHIBIT 10.h

MascoTech, Inc.
1991 LONG TERM STOCK INCENTIVE PLAN

(Restated July 15, 1998)

SECTION 1. PURPOSES

The purposes of the 1991 Long Term Stock Incentive Plan (the "Plan") are to encourage selected employees of and consultants to MascoTech, Inc. (the "Company") and its Affiliates to acquire a proprietary interest in the Company in order to create an increased incentive to contribute to the Company's future success and prosperity, and enhance the ability of the Company and its Affiliates to attract and retain exceptionally qualified individuals upon whom the sustained progress, growth and profitability of the Company depend, thus enhancing the value of the Company for the benefit of its stockholders.

SECTION 2. DEFINITIONS

As used in the Plan, the following terms shall have the meanings set forth below:

(a) "Affiliate" shall mean any entity in which the Compa ny's direct or indirect equity interest is at least twenty percent, and any other entity in which the Company has a sig nificant direct or indirect equity interest, whether more or less than twenty percent, as determined by the Committee.

(b) "Award" shall mean any Option, Stock Appreciation Right, Restricted Stock, Restricted Stock Unit, Performance Award, Dividend Equivalent or Other Stock-Based Award granted under the Plan.

(c) "Award Agreement" shall mean any written agreement, contract or other instrument or document evidencing any Award granted under the Plan.

(d) "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

(e) "Committee" shall mean a committee of the Company's directors designated by the Board of Directors to administer the Plan and composed of not less than two directors, each of whom is a "non-employee director" within the meaning of Rule 16b-3.

(f) "Dividend Equivalent" shall mean any right granted under Section 6(e) of the Plan.

(g) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

(h) "Incentive Stock Option" shall mean an Option granted under Section 6(a) of the Plan that is intended to meet the requirements of Section 422 of the Code, or any successor pro vision thereto.

(i) "Non-Qualified Stock Option" shall mean an Option granted under Section 6(a) of the Plan that is not intended to be an Incentive Stock Option.

(j) "Option" shall mean an Incentive Stock Option or a Non-Qualified Stock Option.

(k) "Other Stock-Based Award" shall mean any right granted under Section 6(f) of the Plan.

(l) "Participant" shall mean an employee of or consultant to the Company or any Affiliate designated to be granted an Award under the Plan.

(m) "Performance Award" shall mean any right granted under Section 6(d) of the Plan.

(n) "Restricted Period" shall mean the period of time during which Awards of Restricted Stock or Restricted Stock Units are subject to restrictions.

(o) "Restricted Stock" shall mean any Share granted under Section 6(c) of the Plan.

(p) "Restricted Stock Unit" shall mean any right granted under Section 6(c) of the Plan that is denominated in Shares.

(q) "Rule 16b-3" shall mean Rule 16b-3 promulgated by the Securities and Exchange Commission under the Exchange Act, or any successor rule or regulation.

(r) "Section 16" shall mean Section 16 of the Exchange Act, the rules and regulations promulgated by the Securities and Exchange Commission thereunder, or any successor provision, rule or regulation.

(s) "Shares" shall mean the Company's common stock, par

value $1.00 per share, and such other securities or property as may become the subject of Awards, or become subject to Awards, pursuant to an adjustment made under Section 4(c) of the Plan.

(t) "Stock Appreciation Right" shall mean any right granted under Section 6(b) of the Plan.

SECTION 3. ADMINISTRATION

The Committee shall administer the Plan, and subject to the terms of the Plan and applicable law, the Committee's authority shall include without limitation the power to:

(i) designate Participants;

(ii) determine the types of Awards to be granted;

(iii) determine the number of Shares to be covered by Awards and any payments, rights or other matters to be calculated in connection therewith;

(iv) determine the terms and conditions of Awards and amend the terms and conditions of outstanding Awards;

(v) determine how, whether, to what extent, and under what circumstances Awards may be settled or exercised in cash, Shares, other securities, other Awards or other property, or canceled, forfeited or suspended;

(vi) determine how, whether, to what extent, and under what circumstances cash, Shares, other securities, other Awards, other property and other amounts payable with respect to an Award shall be deferred either automatically or at the election of the holder thereof or of the Committee;

(vii) determine the methods or procedures for estab lishing the fair market value of any property (including, without limitation, any Shares or other securities) transferred, exchanged, given or received with respect to the Plan or any Award;

(viii) prescribe and amend the forms of Award Agreements and other instruments required under or advisable with respect to the Plan;

(ix) designate Options granted to key employees of the Company or its subsidiaries as Incentive Stock Options;

(x) interpret and administer the Plan, Award Agreements, Awards and any contract, document, instrument or agreement

relating thereto;

(xi) establish, amend, suspend or waive such rules and regulations and appoint such agents as it shall deem appropriate for the administration of the Plan;

(xii) decide all questions and settle all controversies and disputes which may arise in connection with the Plan, Award Agreements and Awards;

(xiii) delegate to directors of the Company the authority to designate Participants and grant Awards, and to amend Awards granted to Participants;

(xiv) make any other determination and take any other action that the Committee deems necessary or desirable for the interpretation, application and administration of the Plan, Award Agreements and Awards.

All designations, determinations, interpretations and other decisions under or with respect to the Plan, Award Agreements or any Award shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive and binding upon all persons, including the Company, Affiliates, Participants, beneficiaries of Awards and stockholders of the Company.

SECTION 4. SHARES AVAILABLE FOR AWARDS

(a) Shares Available. Subject to adjustment as provided in Section 4(c):

(i) Initial Authorization. There shall be 6,000,000 Shares initially available for issuance under the Plan.

(ii) Acquired Shares. In addition to the amount set forth above, up to 6,000,000 Shares acquired by the Company subsequent to the 1997 Annual Meeting of Stockholders as full or partial payment for the exercise price for an Option or any other stock option granted by the Company, or acquired by the Company, in open market transactions or otherwise, in connection with the Plan or any Award hereunder or any other employee stock option or restricted stock issued by the Company may thereafter be included in the Shares available for Awards. If any Shares covered by an Award or to which an Award relates are forfeited, or if an Award expires, terminates or is cancelled, then the Shares covered by such Award, or to

which such Award relates, or the number of Shares otherwise counted against the aggregate number of Shares available under the Plan by reason of such Award, to the extent of any such forfeiture, expiration, termination or cancellation, may thereafter be available for further granting of Awards and included as acquired Shares for purposes of the preceding sentence.

(iii) Shares Under Prior Plans. In addition to the amounts set forth above, shares remaining available for issuance upon any termination of authority to make further awards under both the Company's 1984 Restricted Stock Incentive Plan and its 1984 Stock Option Plan shall thereafter be available for issuance hereunder.

(iv) Accounting for Awards. For purposes of this Section 4,

(A) if an Award (other than a Dividend Equivalent) is denominated in Shares, the number of Shares covered by such Award, or to which such Award relates, shall be counted on the date of grant of such Award against the aggregate number of Shares available for granting Awards under the Plan to the extent determinable on such date and insofar as the number of Shares is not then determinable under procedures adopted by the Committee consistent with the purposes of the Plan; and

(B) Dividend Equivalents and Awards not denominated in Shares shall be counted against the aggregate number of Shares available for granting Awards under the Plan in such amount and at such time as the Committee shall determine under procedures adopted by the Committee consistent with the purposes of the Plan;

provided, however, that Awards that operate in tandem with (whether granted simultaneously with or at a different time from), or that are substituted for, other Awards or restricted stock awards or stock options granted under any other plan of the Company may be counted or not counted under procedures adopted by the Committee in order to avoid double counting. Any Shares that are delivered by the Company or its Affiliates, and any Awards that are granted by, or become obligations of, the Company, through the assumption by the Company of, or in substitution

for, outstanding restricted stock awards or stock options previously granted by an acquired company shall not, except in the case of Awards

granted to Participants who are directors or officers of the Company for purposes of Section 16, be counted against the Shares available for Granting Awards under the Plan.

(v) Sources of Shares Deliverable Under Awards. Any Shares delivered pursuant to an Award may consist, in whole or in part, of authorized but unissued Shares or of Shares reacquired by the Company, including but not limited to Shares purchased on the open market.

(b) Individual Stock-Based Awards. Subject to adjustment as provided in Section 4(c), no Participant may receive Options or Stock Appreciation Rights under the Plan in any calendar year that relate to more than 1,000,000 Shares in the aggregate; provided, however, that such number may be increased with respect to any Participant by any Shares available for grant to such Participant in accordance with this Paragraph 4(b) in any prior years that were not granted in such prior year beginning on or after January 1, 1997. No provision of this Paragraph 4(b) shall be construed as limiting the amount of any other stock-based or cash-based Award which may be granted to any Participant.

(c) Adjustments. Upon the occurrence of any dividend or other distribution (whether in the form of cash, Shares, other securities or other property), change in the capital or shares of capital stock, recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, issuance of warrants or other rights to purchase Shares or other securities of the Company or extraordinary transaction or event which affects the Shares, then the Committee shall have the authority to make such adjustment, if any, in such manner as it deems appropriate, in (i) the number and type of Shares (or other securities or property) which thereafter may be made the subject of Awards, (ii) outstanding Awards including without limitation the number and type of Shares (or other securities or property) subject thereto, and (iii) the grant, purchase or exercise price with respect to outstanding Awards and, if deemed appropriate, make provision for cash payments to the holders of outstanding Awards; provided, however, that the number of Shares subject to any Award denominated in Shares shall always be a whole number.

SECTION 5. ELIGIBILITY

Any employee of or consultant to the Company or any Affiliate, including any officer of the Company (who may also be a director, any person who serves only as a director of the Company and any consultant to the Company or an Affiliate who is also a director of the Company and who is not rendering services pursuant to a written agreement with the entity in question), as may be se

lected from time to time by the Committee or by the directors to whom authority may be delegated pursuant to Section 3 hereof in its or their discretion, is eligible to be designated a Participant.

SECTION 6. AWARDS

(a) Options. The Committee is authorized to grant Options to Participants.

(i) Committee Determinations. Subject to the terms of the Plan, the Committee shall determine:

(A) the purchase price per Share under each Option, provided, however, that such price shall not be less than 100% of the fair market value of the Shares underlying such Option on the date of grant;

(B) the term of each Option; and

(C) the time or times at which an Option may be exercised, in whole or in part, the method or methods by which and the form or forms (including, without limitation, cash, Shares, other Awards or other property, or any combination thereof, having a fair market value on the exercise date equal to the relevant exercise price) in which payment of the exercise price with respect thereto may be made or deemed to have been made. The terms of any Incentive Stock Option granted under the Plan shall comply in all respects with the provisions of Section 422 of the Code, or any successor provision thereto, and any regulations promulgated thereunder.

Subject to the terms of the Plan, the Committee may impose such conditions or restrictions on any Option as it deems appropriate.

(ii) Other Terms. Unless otherwise determined by the Committee:

(A) A Participant electing to exercise an Option shall give written notice to the Company, as may be specified by the Committee, of exercise of the Option and the number of Shares elected for exercise, such notice to be accompanied by such instruments or documents as may be required by the Committee, and shall tender the purchase price of the Shares elected for exercise.

(B) At the time of exercise of an Option payment in full in cash or in Shares (that have been held by the Participant for at least six months) or any combination thereof, at the option of the Participant, shall be made for all Shares then being purchased.

(C) The Company shall not be obligated to issue any Shares unless and until:

(I) if the class of Shares at the time is listed upon any stock exchange, the Shares to be issued have been listed, or authorized to be added to the list upon official notice of issuance, upon such exchange, and

(II) in the opinion of the Company's counsel there has been compliance with applicable law in connection with the issuance and delivery of Shares and such issuance shall have been approved by the Company's counsel.

Without limiting the generality of the foregoing, the Company may require from the Participant such investment representation or such agreement, if any, as the Company's counsel may consider necessary in order to comply with the Securities Act of 1933 as then in effect, and may require that the Participant agree that any sale of the Shares will be made only in such manner as shall be in accordance with law and that the Participant will notify the Company of any intent to make any disposition of the Shares whether by sale, gift or otherwise. The Participant shall take any action reasonably requested by the Company in such connection. A Participant shall have the rights of a stockholder only as and when Shares have been actually issued to the Participant pursuant to the Plan.

(D) If the employment of or consulting arrangement with a Participant terminates for any reason (including termination by reason of the fact that an entity is no longer an Affiliate) other than the Participant's death, the Participant may thereafter exercise the Option as provided below, except that the Committee may terminate the unexercised portion of the Option concurrently with or at any time following termination of the employment or consulting arrangement (including termination of employment upon a change of status from employee to consultant) if it shall determine that the Participant has engaged in any activity detrimental to the interests of the Company or an Affiliate. If such termination is voluntary on the part of the Participant, the option may be exercised only within ten days after the date of termination. If such termination is

involuntary on the part of the Participant, if an employee retires on or after normal retirement date or if the employment or consulting relationship is terminated by reason of permanent and total disability, the Option may be exercised within three months after the date of termination or retirement. For purposes of this Paragraph (D), a Participant's employment or consulting arrangement shall not be considered terminated (i) in the case of approved sick leave or other bona fide leave of absence (not to exceed one year), (ii) in the case of a transfer of employment or the consulting arrangement among the Company and Affiliates, or (iii) by virtue of a change of status from employee to consultant or from consultant to employee, except as provided above.

(E) If a Participant dies at a time when entitled to exercise an Option, then at any time or times within one year after death such Option may be exercised, as to all or any of the Shares which the Participant was entitled to purchase immediately prior to death. The Company may decline to deliver Shares to a designated beneficiary until it receives indemnity against claims of third parties satisfactory to the Company. Except as so exercised such Option shall expire at the end of such period.

(F) An Option may be exercised only if and to the ex tent such Option was exercisable at the date of termination of employment or the consulting arrangement, and an Option may not be exercised at a time when the Option would not have been exercisable had the employment or consulting arrangement continued.

(iii) Restoration Options. The Committee may grant a Participant the right to receive a restoration Option with respect to an Option or any other option granted by the Company. Unless the Committee shall otherwise determine, a restoration Option shall provide that the underlying option must be exercised while the Participant is an employee of or consultant to the Company or an Affiliate and the number of Shares which are subject to a restoration Option shall not exceed the number of whole Shares exchanged in payment of the original option.

(b) Stock Appreciation Rights. The Committee is authorized to grant Stock Appreciation Rights to Participants. Subject to the terms of the Plan, a Stock Appreciation Right granted under the Plan shall confer on the holder thereof a right to receive, upon exercise thereof, the excess of (i) the fair market value of

one Share on the date of exercise or, if the Committee shall so determine in the case of any such right other than one related to any Incentive Stock Option, at any time during a specified period before or after the date of exercise over (ii) the grant price of the right as specified by the Committee. Subject to the terms of the Plan, the Committee shall determine the grant price, term, methods of exercise and settlement and any other terms and conditions of any Stock Appreciation Right and may impose such conditions or restrictions on the exercise of any Stock Appreciation Right as it may deem appropriate.

(c) Restricted Stock and Restricted Stock Units.

(i) Issuance. The Committee is authorized to grant to Participants Awards of Restricted Stock, which shall consist of Shares, and Restricted Stock Units which shall give the Participant the right to receive cash, other securities, other Awards or other property, in each case subject to the termination of the Restricted Period determined by the Committee.

(ii) Restrictions. The Restricted Period may differ among Participants and may have different expiration dates with respect to portions of Shares covered by the same Award. Subject to the terms of the Plan, Awards of Restricted Stock and Restricted Stock Units shall have such restrictions as the Committee may impose (including, without limitation, limitations on the right to vote Restricted Stock or the right to receive any dividend or other right or property), which restrictions may lapse separately or in combination at such time or times, in installments or otherwise. Unless the Committee shall otherwise determine, any Shares or other securities distributed with respect to Restricted Stock or which a Participant is otherwise entitled to receive by reason of such Shares shall be subject to the restrictions contained in the applicable Award Agreement. Subject to the aforementioned restrictions and the provisions of the Plan, Participants shall have all of the rights of a stockholder with respect to Shares of Restricted Stock.

(iii) Registration. Restricted Stock granted under the Plan may be evidenced in such manner as the Committee may deem appropriate, including, without limitation, book-entry registration or issuance of stock certificates.

(iv) Forfeiture. Except as otherwise determined by the Committee:

(A) If the employment of or consulting arrangement with a Participant terminates for any reason (including termination by reason of the fact that any entity is no

longer an Affiliate), other than the Participant's death or permanent and total disability or, in the case of an employee, retirement on or after normal retirement date, all Shares of Restricted Stock theretofore awarded to the Participant which are still subject to restrictions shall upon such termination of employment or the consulting relationship be forfeited and transferred back to the Company. Notwithstanding the foregoing or Paragraph (C) below, if a Participant continues to hold an Award of Restricted Stock following termination of the employment or consulting arrangement (including retirement and termination of employment upon a change of status from employee to consultant), the Shares of Restricted Stock which remain sub ject to restrictions shall nonetheless be forfeited and transferred back to the Company if the Committee at any time thereafter determines that the Participant has engaged in any activity detrimental to the interests of the Company or an Affiliate. For purposes of this Paragraph (A), a Participant's employment or consulting arrangement shall not be considered terminated (i) in the case of approved sick leave

or other bona fide leave of absence (not to exceed one year), (ii) in the case of a transfer of employment or the consulting arrangement among the Company and Affiliates, or (iii) by virtue of a change of status from employee to consultant or from consultant to employee, except as pro vided above.

(B) If a Participant ceases to be employed or retained by the Company or an Affiliate by reason of death or permanent and total disability or if following retirement a Participant continues to have rights under an Award of Re stricted Stock and thereafter dies, the restrictions contained in the Award shall lapse with respect to such Restricted Stock.

(C) If an employee ceases to be employed by the Company or an Affiliate by reason of retirement on or after normal retirement date, the restrictions contained in the Award of Restricted Stock shall continue to lapse in the same manner as though employment had not terminated.

(D) At the expiration of the Restricted Period as to Shares covered by an Award of Restricted Stock, the Company shall deliver the Shares as to which the Restricted Period has expired, as follows:

(1) if an assignment to a trust has been made in accordance with Section 6(g)(iv)(B)(2)(c), to such trust; or

(2) if the Restricted Period has expired by reason of death and a beneficiary has been designated in form approved by the Company, to the beneficiary so designated; or

(3) in all other cases, to the Participant or the legal representative of the Participant's estate.

(d) Performance Awards. The Committee is authorized to grant Performance Awards to Participants. Subject to the terms of the Plan, a Performance Award granted under the Plan (i) may be denominated or payable in cash, Shares (including, without limitation, Restricted Stock), other securities, other Awards, or other property and (ii) shall confer on the holder thereof rights valued as determined by the Committee and payable to, or exercisable by, the holder of the Performance Award, in whole or in part, upon the achievement of such performance goals during such performance periods as the Committee shall establish. Subject to the terms of the Plan, the performance goals to be achieved during any performance period, the length of any performance period, the amount of any Performance Award granted, the amount of any payment or transfer to be made pursuant to any Performance Award and other terms and conditions shall be determined by the Committee.

(e) Dividend Equivalents. The Committee is authorized to grant to Participants Awards under which the holders thereof shall be entitled to receive payments equivalent to dividends or interest with respect to a number of Shares determined by the Committee, and the Committee may provide that such amounts (if any) shall be deemed to have been reinvested in additional Shares or otherwise reinvested. Subject to the terms of the Plan, such Awards may have such terms and conditions as the Committee shall determine.

(f) Other Stock-Based Awards. The Committee is authorized to grant to Participants such other Awards that are denominated or payable in, valued in whole or in part by reference to or otherwise based on or related to Shares (including, without limitation, securities convertible into Shares), as are deemed by the Committee to be consistent with the purposes of the Plan, provided, however, that such grants to persons who are subject to Section 16 must comply with the provisions of Rule 16b-3. Subject to the terms of the Plan, the Committee shall determine the terms and conditions of such Awards. Shares or other securities delivered pursuant to a purchase right granted under this Section 6(f) shall be purchased for such consideration, which may

be paid by such method or methods and in such form or forms, in cluding, without limitation, cash, Shares, other securities, other Awards or other property or any combination thereof, as the Committee shall determine.

(g) General.

(i) No Cash Consideration for Awards. Awards may be granted for no cash consideration or for such minimal cash consideration as may be required by applicable law.

(ii) Awards May Be Granted Separately or Together. Awards may, in the discretion of the Committee, be granted either alone or in addition to, in tandem with or in substitution for any other Award or any award granted under any other plan of the Company or any Affiliate. Awards granted in addition to or in tandem with other Awards or in addition to or in tandem with awards granted under another plan of the Company or any Affiliate, may be granted either at the same time as or at a different time from the grant of such other Awards or awards.

(iii) Forms of Payment Under Awards. Subject to the terms of the Plan and of any applicable Award Agreement, payments or transfers to be made by the Company or an Affiliate upon the grant, exercise, or payment of an Award may be made in such form or forms as the Committee shall determine, including, without limitation, cash, Shares, other securities, other Awards, or other property, or any combination thereof, and may be made in a single payment or transfer, in installments, or on a deferred basis, in each case in accordance with rules and procedures established by the Committee. Such rules and procedures may include, without limitation, provisions for the payment or crediting of reasonable interest on installment or deferred payments or the grant or crediting of Dividend Equivalents in respect of installment or deferred payments.

(iv) Limits on Transfer of Awards.

(A) Except as the Committee may otherwise determine, no Award or right under any Award may be sold, encumbered, pledged, alienated, attached, assigned or transferred in any manner and any attempt to do any of the foregoing shall be void and unenforceable against the Company.

(B) Notwithstanding the provisions of Paragraph (A) above:

(1) An Option may be transferred:

(a) to a beneficiary designated by the Participant in writing on a form approved by the Committee;

(b) by will or the applicable laws of descent and distribution to the personal representative, executor or administrator of the Participant's estate; or

(c) to a revocable grantor trust established by the Participant for the sole benefit of the Participant during the Participant's life, and under the terms of which the Participant is and remains the sole trustee until death or physical or mental incapacity. Such assignment shall be effected by a written instrument in form and content satisfactory to the Committee, and the Participant shall deliver to the Committee a true copy of the agreement or other document evidencing such trust. If in the judgment of the Committee the trust to which a Participant may attempt to assign rights under such an Award does not meet the criteria of a trust to which an assignment is permitted by the terms hereof, or if after assignment, because of amendment, by force of law or any other reason such trust no longer meets such criteria, such attempted assignment shall be void and may be disregarded by the Committee and the Company and all rights to any such Options shall revert to and remain solely in the Participant. Notwithstanding a qualified assignment, the Participant, and not the trust to which rights under such an Option may be assigned, for the purpose of determining compensation arising by reason of the Option shall continue to be considered an employee or consultant, as the case may be, of the Company or an Affiliate, but such trust and the Participant shall be bound by all of the terms and conditions of the Award Agreement and this Plan. Shares issued in the name of and delivered to such trust shall be conclusively considered issuance and delivery to the Participant.

(2) A Participant may assign or transfer rights under an Award of Restricted Stock or Restricted Stock Units:

(a) to a beneficiary designated by the Participant in writing on a form approved by the Committee;

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(b) by will or the applicable laws of descent and distribution to the personal representative, executor or administrator of the Participant's estate; or

(c) to a revocable grantor trust established by the Participant for the sole benefit of the Participant during the Participant's life, and under the terms of which the Participant is and remains the sole trustee until death or physical or mental incapacity. Such assignment shall be effected by a written instrument in form and content satisfactory to the Committee, and the Participant shall deliver to the Committee a true copy of the agreement or other document evidencing such trust. If in the judgment of the Committee the trust to which a Participant may attempt to assign rights under such an Award does not meet the criteria of a trust to which an assignment is permitted by the terms hereof, or if after assignment, because of amendment, by force of law or any other reason such trust no longer meets such criteria, such attempted assignment shall be void and may be disregarded by the Committee and the Company and all rights to any such Awards shall revert to and remain solely in the Participant. Notwithstanding a qualified assignment, the Participant, and not the trust to which rights under such an Award may be as signed, for the purpose of determining compensation arising by reason of the Award shall continue to be considered an employee or consultant, as the case may be, of the Company or an Affiliate, but such trust and the Participant shall be bound by all of the terms and conditions of the Award Agreement and this Plan. Shares issued in the name of and delivered to such trust shall be conclusively considered issuance and delivery to the Participant.

(3) The Committee shall not permit directors or officers of the Company for purposes of Section 16 to transfer or assign Awards except as permitted under Rule 16b-3.

(C) The Committee, the Company and its officers, agents and employees may rely upon any beneficiary designation, assignment or other instrument of transfer, copies of trust agreements and any other documents delivered to them by or on behalf of the Participant which they believe genuine and any action taken by them in reliance

thereon shall be conclusive and binding upon the Participant, the personal representatives of the Participant's estate and all persons asserting a claim based on an Award. The delivery by a Participant of a beneficiary designation, or an assignment of rights under an Award as permitted hereunder, shall constitute the Participant's irrevocable undertaking to hold the Committee, the Company and its officers, agents and employees harmless against claims, including any cost or expense incurred in defending against claims, of any person (including the Participant) which may be asserted or alleged to be based on an Award subject to a beneficiary designation or an assignment. In addition, the Company may decline to deliver Shares to a beneficiary until it receives indemnity against claims of third parties satisfactory to the Company.

(v) Share Certificates. All certificates for Shares or other securities delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations and other requirements of the Securities and Exchange Commission, any stock exchange upon which such Shares or other securities are then listed and any applicable Federal or state securities laws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

(vi) Change in Control. (A) Notwithstanding any of the provisions of this Plan or instruments evidencing Awards granted hereunder, upon a Change in Control of the Company (as hereinafter defined) the vesting of all rights of Participants under outstanding Awards shall be accelerated and all restrictions thereon shall terminate in order that Participants may fully realize the benefits thereunder. Such acceleration shall include, without limitation, the immediate exercisability in full of all Options and the termination of restrictions on Restricted Stock and Restricted Stock Units. Further, in addition to the Committee's authority set forth in Section 4(c), the Committee, as constituted before such Change in Control, is authorized, and has sole discretion, as to any Award, either at the time such Award is made hereunder or any time thereafter, to take any one or more of the following actions: (i) provide for the purchase of any such Award, upon the Participant's request, for an amount of cash equal to the amount that could have been attained upon the exercise of such Award or realization of the Participant's rights had such Award been currently exercisable or payable; (ii) make such adjustment to any such Award then outstanding

as the Committee deems appropriate to reflect such Change in Control; and (iii) cause any such Award then outstanding to be assumed, or new rights substituted therefore, by the acquiring or surviving after such Change in Control.

(B) With respect to any Award granted hereunder prior to December 6, 1995, a Change in Control shall occur if:

(1) any "person" or "group of persons" as such terms are used in Sections 13(d) and 14(d) of the Exchange Act, other than pursuant to a transaction or agreement previously approved by the Board of Directors of the Company, directly or indirectly purchases or otherwise becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act) or has the right to acquire such beneficial ownership (whether or not such right is exercisable immediately, with the passage of time, or subject to any condition) of voting securities representing 25 percent or more of the combined voting power of all outstanding voting securities of (A) the Company or (B) Masco Corporation, a Delaware corporation ("Masco"); or

(2) during any period of twenty-four consecutive calendar months, the individuals who at the beginning of such period constitute the Company's or Masco?s Board of Directors, and any new directors whose election by such Board or nomination for election by stockholders was approved by a vote of at least two-thirds of the members of such Board who were either directors on such Board at the beginning of the period or whose election or nomination for election as directors was previously so approved, for any reason cease to constitute at least a majority of the members thereof.

(C) Notwithstanding the provisions of subparagraph (B), with respect to Awards granted hereunder on or after December 6, 1995, a Change in Control shall occur only if the event described in this subparagraph (C) shall have occurred. With respect to any other Award granted prior thereto, a Change in Control shall occur if any of the events described in subparagraphs (B) or (C) shall have occurred, unless the holder of any such Award shall have consented to the application of this subparagraph (C) in lieu of the foregoing subparagraph (B). A Change in Control for purposes of this subparagraph (C) shall occur if, during any period of twenty-four consecutive calendar months, the individuals who at the beginning of such period constitute the Company's Board of Directors, and any new directors

(other than Excluded Directors, as hereinafter defined), whose election by such Board or nomination for election by stockholders was approved by a vote of at least two-thirds of the members of such Board who were either directors on such Board at the beginning of the period or whose election or nomination for election as directors was previously so approved, for any reason cease to constitute at least a majority of the members thereof. For purposes hereof, "Excluded Directors" are directors whose election by the Board or approval by the Board for stockholder election occurred within one year of any "person" or "group of persons", as such terms are used in Sections 13(d) and 14(d) of the Exchange Act, commencing a tender offer for, or becoming the beneficial owner of, voting securities representing 25 percent or more of the combined voting power of all outstanding voting securities of the Company, other than pursuant to a tender offer approved by the Board prior to its commencement or pursuant to stock acquisitions approved by the Board prior to their representing 25 percent or more of such combined voting power.

(D)(1) In the event that subsequent to a Change in Control it is determined that any payment or distribution by the Company to or for the benefit of a Participant, whether paid or payable or distributed or distributable pursuant to the terms of this Plan or otherwise, other than any payment pursuant to this subparagraph (D) (a "Payment"), would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then such Participant shall be entitled to receive from the Company, within 15 days following the determination described in (2) below, an additional payment ("Excise Tax Adjustment Payment") in an amount such that after payment by such Participant of all applicable Federal, state and local taxes (computed at the maximum marginal rates and including any interest or penalties imposed with respect to such taxes), including any Excise Tax, imposed upon the Excise Tax Adjustment Payment, such Participant retains an amount of the Excise Tax Adjustment Payment equal to the Excise Tax imposed upon the Payments.

(2) All determinations required to be made under this Section 6(g)(vi)(D), including whether an Excise Tax Adjustment Payment is required and the amount of such Excise Tax Adjustment Payment, shall be made by

PricewaterhouseCoopers LLP, or such other national accounting firm as the Company, or, subsequent to a Change in Control, the Company and the Participant jointly, may designate, for purposes of the Excise Tax, which shall provide detailed supporting calculations to the Company and the affected Participant within 15 business days of the date of the applicable Payment. Except as hereinafter provided, any determination by PricewaterhouseCoopers LLP, or such other national accounting firm, shall be binding upon the Company and the Participant. As a result of the uncertainty in the application of Section 4999 of the Code that may exist at the time of the initial determination hereunder, it is possible that (x) certain Excise Tax Adjustment Payments will not have been made by the Company which should have been made (an "Underpayment"), or (y) certain Excise Tax Adjustment Payments will have been made which should not have been made (an "Overpayment"), consistent with the calculations required to be made hereunder. In the event of an Underpayment, such Underpayment shall be promptly paid by the Company to or for the benefit of the affected Participant. In the event that the Participant discovers that an Overpayment shall have occurred, the amount thereof shall be promptly repaid to the Company.

(3) This Section 6(g)(vi)(D) shall not apply to any Award (x) that was granted prior to February 17, 1993 and (y) the holder of which is an executive officer of the Company, as determined under the Exchange Act.

(vii) Cash Settlement. Notwithstanding any provision of this Plan or of any Award Agreement to the contrary, any Award outstanding hereunder may at any time be cancelled in the Committee's sole discretion upon payment of the value of such Award to the holder thereof in cash or in another Award hereunder, such value to be determined by the Committee in its sole discretion.

SECTION 7. AMENDMENT AND TERMINATION

Except to the extent prohibited by applicable law and unless otherwise expressly provided in an Award Agreement or in the Plan:

(a) Amendments to the Plan. The Board of Directors of the Company may amend the Plan and the Board of Directors or the Committee may amend any outstanding Award; provided, however, that (i) no Plan amendment shall be effective until approved by stockholders of the Company insofar as stockholder approval thereof is required in order for the Plan to continue to satisfy

the conditions of Rule 16b-3, and (ii) without the consent of affected Participants no amendment of the Plan or of any Award may impair the rights of Participants under outstanding Awards, and (iii) no Option may be amended to reduce its initial exercise price other than in connection with an event described in Section 4(c) hereof.

(b) Waivers. The Committee may waive any conditions or rights under any Award theretofore granted, prospectively or retroactively, without the consent of any Participant.

(c) Adjustments of Awards Upon the Occurrence of Certain Unusual or Nonrecurring Events. The Committee shall be au thorized to make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events (including, without limitation, the events described in Section 4(b) hereof) affecting the Company, any Affiliate, or the financial statements of the Company or any Affiliate, or of changes in applicable laws, regulations, or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits to be made available under the Plan.

(d) Correction of Defects, Omissions, and Inconsistencies. The Committee may correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem desirable to effectuate the Plan.

SECTION 8. GENERAL PROVISIONS

(a) No Rights to Awards. No Participant or other person shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of Par ticipants or holders or beneficiaries of Awards under the Plan. The terms and conditions of Awards of the same type and the determination of the Committee to grant a waiver or modification of any Award and the terms and conditions thereof need not be the same with respect to each Participant.

(b) Withholding. The Company or any Affiliate shall be authorized to withhold from any Award granted or any payment due or transfer made under any Award or under the Plan the amount (in cash, Shares, other securities, other Awards or other property) of withholding taxes due in respect of an Award, its exercise or any payment or transfer under such Award or under the Plan and to

take such other action as may be necessary in the opinion of the Company or Affiliate to satisfy all obligations for the payment of such taxes.

(c) No Limit on Other Compensation Arrangements. Nothing contained in the Plan shall prevent the Company or any Affiliate from adopting or continuing in effect other or additional compensation arrangements, including the grant of options and other stock-based awards, and such arrangements may be either generally applicable or applicable only in specific cases.

(d) No Right to Employment. The grant of an Award shall not be construed as giving a Participant the right to be retained in the employ of the Company or any Affiliate. Further, the Company or an Affiliate may at any time dismiss a Participant from employment, free from any liability, or any claim under the Plan, unless otherwise expressly provided in the Plan or in any Award Agreement or other written agreement with the Participant.

(e) Governing Law. The validity, construction and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with the laws of the State of Michigan and applicable Federal law.

(f) Severability. If any provision of the Plan or any Award is or becomes or is deemed to be invalid, illegal or un enforceable in any jurisdiction or as to any person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, person or Award, and the remainder of the Plan and any such Award shall remain in full force and effect.

(g) No Trust or Fund Created. Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and a Participant or any other person. To the extent that any person acquires a right to receive payments from the Company or any Affiliate pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company or any Affiliate.

(h) No Fractional Shares. No fractional Shares shall be issued or delivered pursuant to the Plan or any Award, and the Committee shall determine whether cash, other securities, or other property shall be paid or transferred in lieu of any fractional Shares, or whether such fractional Shares or any rights thereto shall be cancelled, terminated or otherwise

eliminated.

(i) Headings. Headings are given to the Sections and subsections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

SECTION 9. EFFECTIVE DATE OF THE PLAN

The Plan shall be effective as of the date of its approval by the Company's stockholders.

EXHIBIT 12

MASCOTECH, INC.

COMPUTATION OF RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS
(DOLLARS IN THOUSANDS)

<TABLE>
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	FOR THE YEARS ENDED DECEMBER 31				
	1998	1997	1996	1995	1994
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EARNINGS (LOSS) BEFORE INCOME TAXES AND FIXED CHARGES:					
Income (loss) from continuing operations before income taxes (credit), extraordinary item and cumulative effect of accounting change, net.....	$144,520	$190,290	$ 77,220	$100,280	$(264,490)
Deduct equity in undistributed earnings of less-than-fifty-percent owned companies.....	(8,530)	(46,030)	(31,650)	(29,590)	(23,350)
Add interest on indebtedness, net.....	81,280	36,650	30,350	51,500	51,290
Add amortization of debt expense.....	3,250	900	1,490	1,670	3,450
Estimated interest factor for rentals...	3,620	2,100	6,350	7,070	6,220
Earnings (loss) before income taxes and fixed charges.....	$224,140	$183,910	$ 83,760	$130,930	$(226,880)
FIXED CHARGES:					
Interest on indebtedness, net.....	$ 81,740	$ 36,770	$ 30,590	$ 51,690	$ 51,540
Amortization of debt expense.....	3,250	900	1,490	1,670	3,450
Estimated interest factor for rentals...	3,620	2,100	6,350	7,070	6,220
Total fixed charges.....	88,610	39,770	38,430	60,430	61,210
Preferred stock dividend requirement (a).....	--	10,300	21,570	21,970	14,630
Combined fixed charges and preferred stock dividends.....	$ 88,610	$ 50,070	$ 60,000	$ 82,400	$ 75,840
RATIO OF EARNINGS TO FIXED CHARGES.....	2.5	4.6	2.2	2.2	--(b)
RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS...	2.5	3.7	1.4	1.6	--(c)

</TABLE>

(a) Represents amount of income before provision for income taxes required to meet the preferred stock dividend requirements of the Company and its 50% owned companies.

(b) 1994 results of operations are inadequate to cover fixed charges by $288,090.

(c) 1994 results of operations are inadequate to cover combined fixed charges and preferred stock dividends by $302,720.

MASCOTECH, INC.
(a Delaware corporation)

Subsidiaries as of March 15, 1999*

Name	Jurisdiction of Incorporation or Organization
Arrow Specialty Company	Delaware
BLD Products, Ltd.	Michigan
Novo Products, Inc.	Florida
Cuyam Corporation	Ohio
GLO North America Company	Delaware
Hebco Products, Inc.	Ohio
International Brake Industries, Inc.	Delaware
K-Tech Mfg., Inc.	Delaware
Kendallville Foundry, Inc.	Delaware
Longman Enterprises, Inc.	Florida
Pylon Manufacturing Corp.	Delaware
Masco Industries International Sales, Inc.	Barbados
MascoTech Accessories, Inc.	California
MascoTech Coatings, Inc.	Michigan
MascoTech Edison, Inc.	New Jersey
MascoTech Europe, Inc.	Delaware
MascoTech European Holdings, Inc.	Delaware
GLO S.p.A.	Italy

*Directly owned subsidiaries appear at the left hand margin, first tier and second tier subsidiaries are indicated by single and double indentation, respectively, and are listed under the names of their respective parent companies. Unless otherwise indicated, all subsidiaries are wholly owned. Certain of these companies may also use trade names or other assumed names in the

conduct of their business.

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MascoTech Forming Technologies - Fort Wayne, Inc.	Indiana
MascoTech GmbH	Germany
Gruppo Tov (20%)	Italy
H&B Hyprotec Technology OHG	Germany
Huber & Bauer GmbH 20%	Germany
Holzer GmbH & Co.	Germany
Holzer Limited	United Kingdom
Neumeyer CR spol S.r.o.	Czech Republic
Neumeyer Fliesspressen GmbH	Germany
MascoTech Holding Company	Delaware
MascoTech Industrial Components, Inc.	Delaware
MascoTech Italia, S.r.l.	Italy
Gruppo Tov (80%)	Italy
MascoTech Services, Inc.	Delaware
MascoTech Sintered Components Espana S.L.	Spain
MascoTech Sintered Components Limited	United Kingdom
MascoTech Sintered Components of Indiana, Inc.	Indiana
MascoTech Sintered Components, Inc.	Delaware
MascoTech Tubular Products, Inc.	Michigan
MASX Energy Services Group, Inc.	Delaware
MASG Disposition, Inc.	Michigan
McGuane Industries, Inc.	Michigan
Mr. Bracket, Inc.	Delaware
NI Wheel, Incorporated	Ontario
Plastic Form, Inc.	Delaware

TriMas Corporation	Delaware
Beaumont Bolt & Gasket, Inc.	Texas
Industrial Bolt & Gasket, Inc.	Louisiana
Louisiana Bolt and Gasket, Inc.	Louisiana
Compac Corporation	Delaware
Netcong Investments, Inc.	New Jersey
Di-Rite Company	Ohio
Draw-Tite, Inc.	Delaware
Draw-Tite (Canada) Ltd.	Ontario
Eskay Screw Corporation	Delaware
Fulton Performance Products, Inc.	Delaware
Heinrich Stolz GmbH	Germany
Stolz North America, Inc.	Texas
Hitch =N Post, Inc.	Delaware
Kee Services, Inc.	Michigan
Keo Cutters, Inc.	Michigan
Lake Erie Screw Corporation	Ohio
Lamons Metal Gasket Co.	Delaware
Canadian Gasket & Supply Inc.	Canada
Louisiana Hose & Rubber Co.	Louisiana
Monogram Aerospace Fasteners, Inc.	Delaware
NI Foreign Military Sales, Inc.	Delaware
NI West, Inc.	California
Norris Cylinder Company	Delaware
Norris Environmental Services, Inc.	California
Norris Industries, Inc.	California
Punchcraft Company	Michigan
Reese Products, Inc.	Indiana
TriMas Corporation Pty. Ltd.	Australia
Reese Products of Canada Ltd.	Ontario
Reska Spline Products, Inc.	Michigan
Richards Micro-Tool, Inc.	Delaware
Rieke Corporation	Indiana
Rieke Canada Limited	Canada
Rieke of Indiana, Inc.	Indiana
Rieke of Mexico, Inc.	Delaware
Rieke de Mexico, S.A. de C.V.	Mexico
Rieke Leasing Co., Incorporated	Delaware
TriMas Corporation Limited	United Kingdom
The Englass Group Limited	United Kingdom
The English Glass Company Limited	United Kingdom
Top Emballage S.A.	France
TriMas Export, Inc.	Barbados
TriMas Fasteners, Inc.	Delaware
TriMas Services Corp.	Delaware
W.C. McCurdy & Co.	Michigan

Exhibit 23

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the prospectuses included in the registration statements of MascoTech, Inc. on Form S-3 (Registration Nos. 33-59222, 33-55837 and 333-66307) and Form S-8 (Registration Nos. 33-30735, 33-42230, 333-30869, 333-64531 and 333-74875) of our report dated February 19, 1999, on our audits of the consolidated financial statements and financial statement schedule of MascoTech, Inc. and subsidiaries as of December 31, 1998 and 1997, and for each of the three years in the period ended December 31, 1998, which report is included in this Annual Report on Form 10-K. We also consent to the reference to our Firm under the caption "Experts" in such prospectuses.

PRICEWATERHOUSECOOPERS LLP

Detroit, Michigan
March 25, 1999

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