

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): November 10, 2004

CONMED CORPORATION
(Exact name of registrant as specified in its charter)

----- New York ----- (State or other jurisdiction of incorporation or organization)	0-16093 ----- (Commission File Number)	16-0977505 ----- (I.R.S. Employer Identification No.)
---	---	--

525 French Road
Utica, New York 13502

(Address of principal executive offices, including zip code)

(315) 797-8375

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions (See General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement

On November 12, 2004, CONMED Corporation (the "Company") entered into an Amended and Restated Employment Agreement (the "Agreement") with Joseph J. Corasanti, Esq., whereby Mr. Corasanti will serve as the Company's President and Chief Operating Officer for a period beginning January 1, 2000 and ending December 31, 2009.

A copy of the Agreement is attached hereto as Exhibit 10.2 and is incorporated herein by reference.

Item 3.02 Unregistered Sales of Equity Securities

On November 11, 2004, CONMED Corporation (the "Registrant") completed an offering, in private placement, of \$150 million in aggregate principal amount of 2.50% convertible senior subordinated notes (the "notes") due 2024. The issuance included the full exercise of the initial purchasers' option to purchase up to an additional \$25 million of notes.

The notes were offered and sold to qualified institutional buyers in accordance with Rule 144A under the Securities Act of 1933, as amended. The initial purchasers for the offering were UBS Securities LLC, Banc of America Securities LLC, Citigroup Global Markets Inc. and J.P. Morgan Securities Inc.

The notes were sold for cash and the aggregate offering price for the notes was \$150 million and the aggregate initial purchasers' discount for the notes was

\$4.5 million.

The notes are convertible into the Registrant's common stock on the terms set forth in the Indenture related to the notes, which is attached hereto as Exhibit 4.1 and incorporated by reference herein, and which are summarized below:

- o The notes are convertible into cash and, if applicable, shares of the Registrant's common stock based on an initial conversion rate, subject to adjustment, of 26.1849 shares per \$1,000 principal amount of notes (which represents an initial conversion price of approximately \$38.19 per share), under certain circumstances.
- o Holders may convert their notes into cash and, if applicable, shares of the Registrant's common stock only under the following circumstances:
 - (1) during any calendar quarter after the calendar quarter ending December 31, 2004, if the closing sale price of the Registrant's common stock for each of 20 or more consecutive trading days in a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter exceeds 130% of the conversion price in effect on the last trading day of the immediately preceding calendar quarter;
 - (2) during the 5 business day period after any 10 consecutive trading day period in which the average trading price per \$1,000 principal amount of notes over that 10 consecutive trading day period was equal to or less than 97% of the average conversion value of the notes during that period;
 - (3) upon the occurrence of specified corporate transactions described in the Indenture; or
 - (4) if the Registrant has called the notes for redemption.
- o Upon conversion, holders of notes will receive cash and, if applicable, shares of the Registrant's common stock. The aggregate value (the "conversion value"), of the cash and, if applicable, shares of common stock per \$1,000 principal amount of notes will be equal to the product of:
 - (1) the conversion rate then in effect; and
 - (2) the average of the daily volume-weighted average price per share of the Registrant's common stock for each of the 10 consecutive trading days beginning on the second trading day immediately following the day the notes are tendered for conversion.
- o Except as described in the Indenture, the Registrant will deliver the conversion value of the notes surrendered for conversion to converting holders as follows:
 - (1) a cash amount (the "principal return") equal to the lesser of (a) the aggregate conversion value of the notes to be converted and (b) the aggregate principal amount of the notes to be converted;
 - (2) if the aggregate conversion value of the notes to be converted is greater than the principal return, an amount in whole shares (the "net shares"), determined as set forth in the Indenture, equal to the aggregate conversion value less the principal return; and
 - (3) a cash amount in lieu of any fractional shares of common stock.

On November 10, 2004 the Company entered into a Registration Rights Agreement, which is filed as Exhibit 10.1 and incorporated herein by reference.

The Company also issued a press release relating to the offering on November 11,

2004, which is filed on Exhibit 99.1 and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

The following exhibits are included herewith:

Exhibit No.	Description of Exhibit
4.1	Indenture dated November 10, 2004 between CONMED Corporation and The Bank of New York, as Trustee.
10.1	Registration Rights Agreement, dated November 10, 2004, among CONMED Corporation and UBS Securities LLC and on behalf of several Initial Purchasers.
10.2	Amended and Restated Employment Agreement, dated November 12, 2004, by and between CONMED Corporation and Joseph J. Corasanti, Esq.
99.1	Press Release dated November 11, 2004, issued by CONMED Corporation announcing that it completed an offering, in private placement, of \$150 million in aggregate principal amount of 2.50% convertible senior subordinated notes.

SIGNATURE

Pursuant to the requirements 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.

CONMED CORPORATION
(Registrant)

By: /s/ Robert D. Shallish, Jr.

Vice President-Finance and
Chief Financial Officer

Date: November 16, 2004

EXHIBIT INDEX

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CONMED CORPORATION

and

THE BANK OF NEW YORK

as Trustee

INDENTURE

Dated as of November 10, 2004

\$150,000,000 Principal Amount

2.50% CONVERTIBLE SENIOR SUBORDINATED NOTES DUE 2024

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CROSS-REFERENCE TABLE

TIA Section -----	Indenture Section -----
310 (a) (1)	7.10
(a) (2)	7.10
(a) (3)	N.A.
(a) (4)	N.A.
(a) (5)	N.A.
(b)	7.08; 7.10; 13.02
(c)	N.A.
311 (a)	7.11
(b)	7.11
(c)	N.A.
312 (a)	2.05
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313 (a)	7.06
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(c) (1)	13.04
(c) (2)	13.04
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(d)	N.A.
(e)	13.05
(f)	N.A.
315 (a)	7.01 (B)
(b)	7.05; 13.02
(c)	7.01 (A)
(d)	7.01 (C)
(e)	6.11
316 (a) (last sentence)	2.09
(a) (1) (A)	6.05
(a) (1) (B)	6.04
(a) (2)	N.A.
(b)	6.07
(c)	N.A.
317 (a) (1)	6.08

(a) (2)	6.09
(b)	2.04
318 (a)	13.01

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- Exhibit A - Form of Global Security
- Exhibit B-1 - Form of Private Placement Legend
- Exhibit B-2 - Form of Tax Legend
- Exhibit B-3 - Form of Legend for Global Security
- Exhibit C - Form of Notice of Transfer Pursuant to Registration Statement

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INDENTURE, dated as of November 10, 2004, between CONMED Corporation, a New York corporation (the "Company"), and The Bank of New York, a New York banking corporation, as trustee (the "Trustee").

Each party agrees as follows for the benefit of the other parties and for the equal and ratable benefit of the Holders of the Company's 2.50% Convertible Senior Subordinated Notes due 2024 (the "Securities").

I. DEFINITIONS AND INCORPORATION BY REFERENCE

1.01 DEFINITIONS.

The term "additional interest" has the meaning ascribed to it in the Registration Rights Agreement.

"Affiliate" means any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company. For this purpose, "control" shall mean the power to direct the management and policies of a person through the ownership of securities, by contract or otherwise.

"Bid Solicitation Agent" means a Company-appointed agent that determines the Trading Price as set forth in Article X and paragraph 10 of the Securities.

"Board of Directors" means the Board of Directors of the Company or any committee thereof authorized to act for it hereunder.

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

"Capital Stock" of any Person means any and all shares, interests, participations or other equivalents (however designated) of capital stock of, or

other equity interests in, such Person and all warrants or options to acquire such capital stock or equity interests.

"Closing Sale Price" of the Common Stock on the relevant Trading Day means the closing per share sale price (or if no closing per share sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average ask prices) on such Trading Day (a) on the U.S. principal national securities exchange on which the Common Stock is listed; or (b) if the Common Stock is not listed on a U.S. national securities exchange, as reported by an automated quotation system administered by the National Association of Securities Dealers, Inc. on which the Common Stock is then quoted; or (c) if not so listed or quoted, as reported or quoted on the principal other exchange or market on which the Common Stock is then listed or traded. In the absence of a listing, quotation or report, the Closing Sale Price shall be such price as the Company shall in good faith reasonably determine as most accurately reflecting the price that a fully informed buyer, acting on his own accord, would pay to a fully informed seller, acting on his own accord in an arms-length transaction, for a share of the Common Stock on such Trading Day.

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"Common Stock" means the common stock, \$0.01 par value per share, of the Company, or such other Capital Stock of the Company into which the Company's common stock is reclassified or changed.

"Company" means the party named as such above until a successor replaces it pursuant to the applicable provision hereof and thereafter means the successor.

"Company Order" or "Company Request" means a written request or order signed on behalf of the Company by an Officer and delivered to the Trustee.

"Contingent Interest Period" has the meaning set forth in paragraph 1 of the Securities.

"Contingent Interest" has the meaning set forth in paragraph 1 of the Securities.

"Conversion Notice" has the meaning set forth in paragraph 10 of the Securities.

"Conversion Rate" shall initially be 26.1849 shares of Common Stock per \$1,000 principal amount of Securities, subject to adjustment as provided in Article X.

"Conversion Price" means, as of any date of determination, the dollar amount derived by dividing one thousand dollars (\$1,000) by the Conversion Rate in effect on such date.

"Corporate Trust Office of the Trustee" shall be at the address of the Trustee specified in Section 13.02 or such other address as the Trustee may give notice of to the Company.

"Default" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"Depository" means The Depository Trust Company, its nominees and successors.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Holder" or "Securityholder" means a person in whose name a Security is registered on the Registrar's books.

"Indebtedness" of a person means the principal of, premium, if any, and interest on, and all other obligations in respect of (a) all indebtedness of such person for borrowed money (including all indebtedness evidenced by notes, bonds, debentures or other securities), (b) all obligations (other than trade payables) incurred by such person in the acquisition (whether by way of purchase, merger, consolidation or otherwise and whether by such person or another person) of any business, real property or other assets, (c) all reimbursement obligations of such person with respect to letters of credit,

bankers' acceptances or similar facilities issued for the account of such person, (d) all capital lease obligations of such person, (e) all net obligations of such person under interest rate swap, currency exchange or similar agreements of such person, (f) all obligations and other liabilities, contingent or otherwise, under any lease or related document, including a purchase agreement, conditional sale or other title retention agreement, in connection with the lease of real property or improvements thereon (or any personal property included as part of any such lease) which provides that such person is contractually obligated to purchase or cause a third party to purchase the leased

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property or pay an agreed-upon residual value of the leased property, including such person's obligations under such lease or related document to purchase or cause a third party to purchase such leased property or pay an agreed-upon residual value of the leased property to the lessor, (g) guarantees by such person of indebtedness described in clauses (a) through (f) of another person, and (h) all renewals, extensions, refundings, deferrals, restructurings, amendments and modifications of any indebtedness, obligation, guarantee or liability of the kind described in clauses (a) through (g).

"Indenture" means this Indenture as amended or supplemented from time to time.

"Initial Purchasers" mean UBS Securities LLC, Banc of America Securities LLC, Citigroup Global Markets Inc. and J.P. Morgan Securities Inc.

"Issue Date" means November 10, 2004.

"Make-Whole Fundamental Change" means a Fundamental Change that occurs before November 15, 2011 and is a transaction or series of transactions as a result of which fifty percent (50%) or more of the Common Stock outstanding immediately before such Fundamental Change is exchanged for, converted into, acquired for, or constitutes solely the right to receive, shares of stock or other securities or property (including cash), or any combination thereof.

"Maturity Date" means November 15, 2024.

"Officer" means the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, any Executive Vice President, any Senior Vice President, the Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary of the Company.

"Officer's Certificate" means a certificate signed by an Officer.

"Opinion of Counsel" means a written opinion from legal counsel who may be (i) the General Counsel of the Company, (ii) another employee of the Company who is then licensed to practice law in any State of the United States and who is reasonably acceptable to the Trustee, or (iii) any other counsel who is reasonably acceptable to the Trustee.

"Person" and, unless the context otherwise requires, "person" mean any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government or other agency or political subdivision thereof.

"Purchase Agreement" means the Purchase Agreement dated November 5, 2004 between the Company and the Initial Purchasers.

"Purchase Notice" means a Purchase Notice in the form set forth in the Securities.

"QIB" means a "qualified institutional buyer" within the meaning of Rule 144A.

"Redemption Date" means the date specified for Redemption of the Securities in accordance with the terms of the Securities and this Indenture.

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"Redemption Price" means, with respect to a Security to be redeemed by the Company in accordance with Article III, one hundred percent (100%) of the outstanding principal amount of such Security to be redeemed.

"Registration Rights Agreement" means the Registration Rights Agreement dated as of the date hereof between the Company and the Initial Purchasers.

"Responsible Officer" shall mean, when used with respect to the Trustee, any officer of the Trustee within the Corporate Trust Division - Corporate Finance Unit (or any successor unit) of the Trustee located at the Corporate Trust Office of the Trustee who has direct responsibility for the administration of this Indenture and, for the purposes of Sections 7.01(C)(ii), shall also mean any other officer of the Trustee to whom any corporate trust matter is referred because of such person's knowledge of and familiarity with the particular subject.

"Restricted Security" means a Security that constitutes a "restricted security" within the meaning of Rule 144(a)(3) under the Securities Act; provided, however, that the Trustee shall be entitled to request and conclusively rely on an Opinion of Counsel with respect to whether any Security constitutes a Restricted Security.

"Rule 144A" means Rule 144A under the Securities Act.

"SEC" means the Securities and Exchange Commission.

"Securities" means the 2.50% Convertible Senior Subordinated Notes due 2024 issued by the Company pursuant to this Indenture.

"Securities Act" means the Securities Act of 1933, as amended.

"Security Agent" means any Registrar, Paying Agent, Conversion Agent, Bid Solicitation Agent or co-Registrar or co-agent.

"Significant Subsidiary" with respect to any person means any subsidiary of such person that constitutes a "significant subsidiary" within the meaning of Rule 1-02(w) of Regulation S-X under the Securities Act, as such regulation is in effect on the date of this Indenture.

"Subsidiary" means (i) a corporation a majority of whose Capital Stock with voting power, under ordinary circumstances, to elect directors is at the time, directly or indirectly, owned by the Company, by one or more subsidiaries of the Company or by the Company and one or more of its subsidiaries or (ii) any other person (other than a corporation) in which the Company, one or more its subsidiaries or the Company and one or more its subsidiaries, directly or indirectly, at the date of determination thereof, have at least majority ownership interest.

"TIA" means the Trust Indenture Act of 1939 (15 U.S. Code ss.ss. 77aaa-77bbbb) as amended and in effect from time to time.

"Trading Day" means a day during which trading in securities generally occurs on the principal U.S. national securities exchange on which the Common Stock is then listed or, if the Common Stock is not then listed on a U.S. national securities exchange, on an automated quotation

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system administered by the National Association of Securities Dealers, Inc. on which the Common Stock is then quoted or, if the Common Stock is not then listed on a U.S. national securities exchange or quoted on an automated quotation system administered by the National Association of Securities Dealers, Inc., on the principal other exchange or market on which the Common Stock is then listed or traded.

"Trading Price" means, on any date, the average of the secondary market bid quotations for the Securities obtained by the Bid Solicitation Agent on behalf of the Company for five million dollars (\$5,000,000) principal amount of Securities at approximately 4:00 p.m., New York City time, on such date, from three (3) independent, nationally recognized securities dealers selected by the Company; provided, that if the Bid Solicitation Agent on behalf of the Company can reasonably obtain only two (2) such bids, then the average of such two (2) bids shall instead be used; provided further, that if the Bid Solicitation Agent

on behalf of the Company can reasonably obtain only one (1) such bid, then such bid shall instead be used; provided further, that if, on a given date, the Bid Solicitation Agent on behalf of the Company cannot reasonably obtain at least one (1) such bid, or if, in reasonable, good faith judgment of the Board of Directors the bid quotation or quotations so obtained by the Bid Solicitation Agent on behalf of the Company are not indicative of the secondary market value of the Securities, then, in each case, the Trading Price per \$1,000 principal amount of Securities on the such date of determination shall be deemed to be equal to ninety seven percent (97%) of the product of (I) the Conversion Rate in effect on such date and (II) the Closing Sale Price on such date.

"Trustee" means the party named as such in this Indenture until a successor replaces it in accordance with the provisions hereof and thereafter means the successor.

"Voting Stock" of any Person means the total voting power of all classes of the Capital Stock of such Person entitled to vote generally in the election of directors of such Person.

1.02 OTHER DEFINITIONS.

Term ----	Defined in Section -----
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1.03 INCORPORATION BY REFERENCE OF TRUST INDENTURE ACT.

Whenever this Indenture refers to a provision of the TIA, the provision is incorporated by reference in and made a part of this Indenture.

All terms used in this Indenture that are defined by the TIA, defined by the TIA by reference to another statute or defined by SEC rule under the TIA and not otherwise defined herein have the meanings so assigned to them.

1.04 RULES OF CONSTRUCTION.

Unless the context otherwise requires:

- (i) a term has the meaning assigned to it;
- (ii) "or" is not exclusive;
- (iii) words in the singular include the plural and in the plural include the singular;
- (iv) the term "premium" includes, without limitation, any Make-Whole Premium;
- (v) the term "interest" includes Contingent Interest and additional interest unless the context otherwise requires;
- (vi) all references in this Indenture to designated "Articles," "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions, as applicable, of this Indenture; and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision of this Indenture; and
- (vii) references to currency shall mean the lawful currency of the United States of America, unless the context requires otherwise.

II. THE SECURITIES

2.01 FORM AND DATING.

The Securities and the Trustee's certificate of authentication shall be substantially in the form set forth in Exhibit A, which is incorporated in and forms a part of this Indenture. The Securities may have notations, legends or endorsements required by law, stock exchange rule or usage. Each Security shall be dated the date of its authentication.

Securities offered and sold in reliance on Rule 144A shall be issued initially in the form of one or more Global Securities, substantially in the form set forth in Exhibit A (the "Global Security"), deposited with the Trustee, as custodian for the Depositary, duly executed by the Company and

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authenticated by the Trustee as hereinafter provided and bearing the legends set forth in Exhibits B-1, B-2 and B-3. The aggregate principal amount of the Global Security may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for the Depository, as hereinafter provided; provided, that in no event shall the aggregate principal amount of the Global Security or Securities exceed \$150,000,000.

Securities issued in exchange for interests in a Global Security pursuant to Section 2.15 may be issued in the form of permanent certificated Securities in registered form in substantially the form set forth in Exhibit A (the "Physical Securities") and, if applicable, bearing any legends required by Section 2.17.

2.02 EXECUTION AND AUTHENTICATION.

One Officer shall sign the Securities for the Company by manual or facsimile signature.

A Security's validity shall not be affected by the failure of an Officer whose signature is on such Security to hold, at the time the Security is authenticated, the same office at the Company.

A Security shall not be valid until authenticated by the manual signature of the Trustee. The signature shall be conclusive evidence that the Security has been authenticated under this Indenture.

Upon a written order of the Company signed by one Officer, the Trustee shall authenticate Securities for original issue in the aggregate principal amount of \$150,000,000. The aggregate principal amount of Securities outstanding at any time may not exceed \$150,000,000.

Upon a written order of the Company signed by an Officer, the Trustee shall authenticate Securities not bearing the Private Placement Legend to be issued to the transferee when sold pursuant to an effective registration statement under the Securities Act as set forth in Section 2.16(B).

The Trustee shall act as the initial authenticating agent. Thereafter, the Trustee may appoint an authenticating agent acceptable to the Company to authenticate Securities. An authenticating agent may authenticate Securities whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such authenticating agent. An authenticating agent has the same rights as a Security Agent to deal with the Company and its Affiliates.

If a written order of the Company pursuant to this Section 2.02 has been, or simultaneously is, delivered, any instructions by the Company to the Trustee with respect to endorsement, delivery or redelivery of a Security issued in global form shall be in writing but need not comply with Section 13.04 hereof and need not be accompanied by an Opinion of Counsel.

The Securities shall be issuable only in registered form without interest coupons and only in minimum denominations of \$2,000 principal amount and integral multiples of \$1,000 principal amount in excess thereof. Notwithstanding anything contrary contained herein or in the Securities, the principal amount of each Security (including any Security to be issued, re-issued or exchanged pursuant to a partial conversion, redemption, purchase or repurchase of the Securities) shall be \$2,000 or more at all times, and the Company shall not be required to issue any Securities in the principal amount of less than \$2,000.

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2.03 REGISTRAR, PAYING AGENT AND CONVERSION AGENT.

The Company shall maintain an office or agency in the Borough of Manhattan, The City of New York, where Securities may be presented for registration of transfer or for exchange ("Registrar"), an office or agency in the Borough of Manhattan, The City of New York, where Securities may be presented for payment ("Paying Agent") and an office or agency in the Borough of Manhattan, The City of New York, where Securities may be presented for conversion ("Conversion Agent"). The Registrar shall keep a register of the Securities and of their transfer and exchange. The Company may appoint or change one or more co-Registrars, one or more additional paying agents and one or more

additional conversion agents without notice and may act in any such capacity on its own behalf. The term "Registrar" includes any co-Registrar; the term "Paying Agent" includes any additional paying agent; and the term "Conversion Agent" includes any additional conversion agent.

The Company shall enter into an appropriate agency agreement with any Security Agent not a party to this Indenture. The agreement shall implement the provisions of this Indenture that relate to such Security Agent. The Company shall notify the Trustee of the name and address of any Security Agent not a party to this Indenture. If the Company fails to maintain a Registrar, Paying Agent or Conversion Agent, the Trustee shall act as such.

The Company initially appoints the Trustee as Paying Agent, Bid Solicitation Agent, Registrar and Conversion Agent.

2.04 PAYING AGENT TO HOLD MONEY IN TRUST.

Each Paying Agent shall hold in trust for the benefit of the Securityholders or the Trustee all moneys and other property held by the Paying Agent for the payment of the Securities, and shall notify the Trustee of any Default by the Company in making any such payment. While any such Default continues, the Trustee may require a Paying Agent to pay all money and other property held by it to the Trustee. The Company at any time may require a Paying Agent to pay all money and other property held by it to the Trustee. Upon payment over to the Trustee, the Paying Agent shall have no further liability for such money and other property. If the Company acts as Paying Agent, it shall segregate and hold as a separate trust fund all money and other property held by it as Paying Agent.

2.05 SECURITYHOLDER LISTS.

The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Securityholders. If the Trustee is not the Registrar, the Company shall furnish to the Trustee on or before each interest payment date and at such other times as the Trustee may request in writing a list, in such form and as of such date as the Trustee may reasonably require, of the names and addresses of Securityholders.

2.06 TRANSFER AND EXCHANGE.

Subject to Sections 2.15 and 2.16 hereof, where Securities are presented to the Registrar with a request to register their transfer or to exchange them for an equal principal amount of Securities of other authorized denominations, the Registrar shall register the transfer or make the exchange if its requirements for such transaction are met. To permit registrations of transfer and exchanges, the Trustee shall authenticate Securities at the Registrar's request. The Company or the Trustee, as the

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case may be, shall not be required to register the transfer of or exchange any Security (i) for a period of fifteen (15) days before selecting, pursuant to Section 3.03, Securities to be redeemed or (ii) during a period beginning at the opening of business fifteen (15) days before the mailing of a notice of redemption of the Securities selected for Redemption under Section 3.04 and ending at the close of business on the day of such mailing or (iii) that has been selected for Redemption or for which a Purchase Notice has been delivered, and not withdrawn, in accordance with this Indenture, except the unredeemed or unrepurchased portion of Securities being redeemed or repurchased in part.

No service charge shall be made for any transfer, exchange or conversion of Securities, but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge that may be imposed in connection with any transfer, exchange or conversion of Securities, other than exchanges pursuant to Sections 2.10, 9.05 or 10.02, or Article III, not involving any transfer.

2.07 REPLACEMENT SECURITIES.

If the Holder of a Security claims that the Security has been mutilated, lost, destroyed or wrongfully taken, the Company shall issue and the Trustee shall authenticate a replacement Security upon surrender to the Trustee of the

mutilated Security, or upon delivery to the Trustee of evidence of the loss, destruction or theft of the Security satisfactory to the Trustee and the Company. In the case of lost, destroyed or wrongfully taken Securities, if required by the Trustee or the Company, an indemnity must be provided by the Holder that is reasonably satisfactory to the Trustee and the Company to protect the Company, the Trustee or any Security Agent from any loss which any of them may suffer if a Security is replaced. The Trustee may charge for its expenses in replacing a Security.

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

Every replacement Security is an additional obligation of the Company only as provided in Section 2.08.

2.08 OUTSTANDING SECURITIES.

Securities outstanding at any time are all the Securities authenticated by the Trustee except for those converted, those cancelled by it, those delivered to it for cancellation and those described in this Section 2.08 as not outstanding. Except to the extent provided in Section 2.09, a Security does not cease to be outstanding because the Company or one of its Subsidiaries or Affiliates holds the Security.

If a Security is replaced pursuant to Section 2.07, it ceases to be outstanding unless the Trustee receives proof satisfactory to it, or a court holds, that the replaced Security is held by a protected purchaser.

If the Paying Agent (other than the Company) holds on an Option Purchase Date, Redemption Date, Fundamental Change Repurchase Date or Maturity Date, money (and, if applicable as provided herein and in accordance herewith, such other consideration in which any applicable Make-Whole Premium is payable) sufficient to pay the aggregate Option Purchase Price, Redemption Price, Fundamental Change Repurchase Price (including any applicable Make-Whole Premium) or principal

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amount, as the case may be, with respect to all Securities to be redeemed, purchased or paid upon Purchase at Holder's Option, Redemption, Repurchase Upon Fundamental Change or maturity, as the case may be, in each case plus, if applicable, accrued and unpaid interest, if any, payable as herein provided upon Purchase at Holder's Option, Redemption, Repurchase Upon Fundamental Change or maturity, then (unless there shall be a Default in the payment of such aggregate Option Purchase Price, Redemption Price, Fundamental Change Repurchase Price (including any applicable Make-Whole Premium) or principal amount, or of such accrued and unpaid interest) on and after such date such Securities shall be deemed to be no longer outstanding, interest on such Securities shall cease to accrue, and such Securities shall be deemed paid whether or not such Securities are delivered to the Paying Agent. Thereafter, all rights of the Holders of such Securities shall terminate with respect to such Securities, other than the right to receive the Option Purchase Price, Redemption Price, Fundamental Change Repurchase Price (including any applicable Make-Whole Premium) or principal amount, as the case may be, plus, if applicable, such accrued and unpaid interest, in accordance with this Indenture.

If a Security is converted in accordance with Article X, then, from and after the time of such conversion on the Conversion Date, such Security shall cease to be outstanding, and interest, if any, shall cease to accrue on such Security.

2.09 SECURITIES HELD BY THE COMPANY OR AN AFFILIATE.

In determining whether the Holders of the required aggregate principal amount of Securities have concurred in any direction, waiver or consent, Securities owned by the Company or any of its Subsidiaries or Affiliates shall be considered as though not outstanding, except that, for the purposes of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Securities which a Responsible Officer of the Trustee knows are so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be considered to be outstanding for purposes of this Section 2.09 if the pledgee establishes, to the satisfaction of the

Trustee, the pledgee's right so to act with respect to such Securities and that the pledgee is not, and is not acting at the direction or on behalf of, the Company, any other obligor on the Securities, an Affiliate of the Company or an affiliate of any such other obligor. In the event of a dispute as to whether the pledgee has established the foregoing, the Trustee may rely on the advice of counsel or on an Officer's Certificate.

2.10 TEMPORARY SECURITIES.

Until definitive Securities are ready for delivery, the Company may prepare and the Trustee shall authenticate temporary Securities. Temporary Securities shall be substantially in the form of definitive Securities but may have variations that the Company considers appropriate for temporary Securities. Without unreasonable delay, the Company shall prepare and the Trustee shall authenticate definitive Securities in exchange for temporary Securities.

2.11 CANCELLATION.

The Company at any time may deliver Securities to the Trustee for cancellation. The Registrar, Paying Agent and Conversion Agent shall forward to the Trustee any Securities surrendered to them for transfer, exchange, payment or conversion. The Trustee shall promptly cancel all Securities

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surrendered for transfer, exchange, payment, conversion or cancellation in accordance with its customary procedures. The Company may not issue new Securities to replace Securities that it has paid or delivered to the Trustee for cancellation (other than in connection with registrations of transfer or exchange pursuant to Section 2.06) or that any Securityholder has converted pursuant to Article X.

2.12 DEFAULTED INTEREST.

If and to the extent the Company defaults in a payment of interest on the Securities, the Company shall pay in cash the defaulted interest in any lawful manner plus, to the extent not prohibited by applicable law, statute or regulation, interest on such defaulted interest at the rate provided in the Securities. The Company may pay the defaulted interest (plus interest on such defaulted interest) to the persons who are Securityholders on a subsequent special record date. The Company shall fix such record date and payment date. At least seven (7) calendar days before the record date, the Company shall mail to Securityholders a notice that states the record date, payment date and amount of interest to be paid.

2.13 CUSIP NUMBERS.

The Company in issuing the Securities may use one or more "CUSIP," "ISIN" or other similar numbers, and, if so, the Trustee shall use such CUSIP, ISIN or other similar numbers in notices of redemption or exchange as a convenience to Holders; provided, however, that no representation is hereby deemed to be made by the Trustee as to the correctness or accuracy of the CUSIP, ISIN or other similar numbers printed on the notice or on the Securities; provided further, that reliance may be placed only on the other identification numbers printed on the Securities, and the effectiveness of any such notice shall not be affected by any defect in, or omission of, such CUSIP, ISIN or other similar numbers. The Company shall promptly notify the Trustee of any change in such CUSIP, ISIN or other similar numbers.

2.14 DEPOSIT OF MONEYS AND PROPERTY.

Prior to 10:00 a.m., New York City time, on each interest payment date, Maturity Date or Redemption Date, the Company shall have deposited with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust in accordance with Section 2.04) money, in funds immediately available on such date, sufficient to make cash payments due on such interest payment date, Maturity Date or Redemption Date, as the case may be, in a timely manner which permits the Paying Agent to remit payment to the Holders on such interest payment date, Maturity Date or Redemption Date, as the case may be. The Company shall make such deposits of funds, or, if applicable, segregate and hold in trust funds, with respect to each Purchase at Holder's Option or Repurchase Upon Fundamental Change in the manner set forth in Section 3.08(C) or Section 3.09(C), respectively.

2.15 BOOK-ENTRY PROVISIONS FOR GLOBAL SECURITIES.

(A) The Global Securities initially shall (i) be registered in the name of the Depository or the nominee of the Depository, (ii) be delivered to the Trustee as custodian for the Depository and (iii) bear legends as set forth in Section 2.17.

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Members of, or participants in, the Depository ("Participants") and holders or owners of beneficial interests in any Global Security shall have no rights under this Indenture with respect to any Global Security held on their behalf by the Depository, or the Trustee as its custodian, or under the Global Security, and the Depository may be treated by the Company, the Trustee and any agent of the Company or the Trustee as the absolute owner of the Global Security for all purposes whatsoever. None of the Company, the Trustee or any agent of the Company or the Trustee shall have any responsibility or liability for any aspect of the records relating to, or payments made on account of, any interests in a Global Security other than interests as a record holder thereof, or for maintaining, supervising or reviewing any records relating to beneficial ownership interests in a Global Security. The Company, the Trustee and each agent of the Company or the Trustee shall be entitled to deal with the Depository, and any nominee thereof, for all purposes of this Indenture relating to such Global Security (including the payment of principal, premium, if any, interest, if any, amounts payable upon conversion, the Option Purchase Price, if any, and Fundamental Change Repurchase Price, if any, and the giving of instructions or directions by or to the owner or holder of a beneficial ownership interest in such Global Security) as the sole Holder of such Global Security and shall have no obligations to the beneficial owners thereof. None of the Company, the Trustee or any Security Agent shall have any responsibility or liability for any acts or omissions of the Depository with respect to such Global Security, for the records of the Depository, including records in respect of beneficial ownership interests in respect of such Global Security, for any transactions between the Depository and any Participant or between or among the Depository, any Participant and/or any holder or owner of a beneficial interest in such Global Security or for any transfers of beneficial interests in such Global Security. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Trustee or any agent of the Company or the Trustee from giving effect to any written certification, proxy or other authorization furnished by the Depository or impair, as between the Depository and Participants or as between Participants and any such owners or holders of beneficial interests, the operation of customary practices governing the exercise of the rights of a Holder of any Security.

(B) Transfers of Global Securities shall be limited to transfers in whole, but not in part, to the Depository, its successors or their respective nominees. In addition, Physical Securities shall be transferred to all beneficial owners, as identified by the Depository, in exchange for their beneficial interests in Global Securities only if (i) the Depository notifies the Company that the Depository is unwilling or unable to continue as depository for any Global Security (or the Depository ceases to be a "clearing agency" registered under Section 17A of the Exchange Act) and a successor Depository is not appointed by the Company within ninety (90) days of such notice or cessation or (ii) an Event of Default has occurred and is continuing and the Registrar has received a written request from the Depository to issue Physical Securities.

(C) In connection with the transfer of a Global Security in its entirety to beneficial owners pursuant to Section 2.15(B), such Global Security shall be deemed to be surrendered to the Trustee for cancellation, and the Company shall execute, and the Trustee shall upon written instructions from the Company authenticate and deliver, to each beneficial owner identified by the Depository in exchange for its beneficial interest in such Global Security, an equal aggregate principal amount of Physical Securities of authorized denominations.

(D) Any Physical Security constituting a Restricted Security delivered in exchange for an interest in a Global Security pursuant to Section 2.15(B) shall, except as otherwise provided by Section 2.16, bear the Private Placement Legend.

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(E) The Holder of any Global Security may grant proxies and otherwise authorize any Person, including Participants and Persons that may hold interests through Participants, to take any action which a Holder is entitled to take under this Indenture or the Securities.

2.16 SPECIAL TRANSFER PROVISIONS.

(A) Restrictions on Transfer and Exchange of Global Securities. Notwithstanding any other provisions of this Indenture, but except as provided in Section 2.15(B), a Global Security may not be transferred except as a whole by the Depositary to a nominee of the Depositary or by a nominee of the Depositary to the Depositary or another nominee of the Depositary or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary.

(B) Private Placement Legend. Upon the transfer, exchange or replacement of Securities not bearing the Private Placement Legend, the Registrar or co-Registrar shall deliver Securities that do not bear the Private Placement Legend. Upon the transfer, exchange or replacement of Securities bearing the Private Placement Legend, the Registrar or co-Registrar shall deliver only Securities that bear the Private Placement Legend unless (i) the requested transfer is after the Resale Restriction Termination Date, (ii) there is delivered to the Trustee and the Company an opinion of counsel reasonably satisfactory to the Company and addressed to the Company to the effect that neither such legend nor the related restrictions on transfer are required in order to maintain compliance with the provisions of the Securities Act or (iii) such Security has been sold pursuant to an effective registration statement under the Securities Act and the Holder selling such Securities has delivered to the Registrar or co-Registrar a notice in the form of Exhibit C hereto. Upon the effectiveness, under the Securities Act, of the "Shelf Registration Statement" (as defined in the Registration Rights Agreement), the Company shall deliver to the Trustee a notice of effectiveness, a Global Security or Global Securities, which do not bear the Private Placement Legend, an authentication order in accordance with Section 2.02, and, if required by the Depositary, the Company shall deliver to the Depositary a letter of representations in a form reasonably acceptable to the Depositary. Upon the effectiveness of any post-effective amendment to the "Shelf Registration Statement" (as defined in the Registration Rights Agreement) and upon the effectiveness, under the Securities Act, of any "Subsequent Shelf Registration Statement" (as defined in the Registration Rights Agreement), the Company shall deliver to the Trustee a notice of effectiveness. Upon any sale, pursuant to a Shelf Registration Statement, of a beneficial interest in a Global Security that theretofore constituted a Restricted Security and delivery of appropriate evidence thereof to the Trustee, and upon any sale or transfer of a beneficial interest in connection with which the Private Placement Legend shall be removed in accordance with this Indenture, the Trustee shall increase the principal amount of the Global Security that does not constitute a Restricted Security by the principal amount of such sale or transfer and likewise reduce the principal amount of the Global Security that does constitute a Restricted Security.

(C) General. By its acceptance of any Security bearing the Private Placement Legend, each Holder of such a Security acknowledges the restrictions on transfer of such Security set forth in this Indenture and in the Private Placement Legend and agrees that it will transfer such Security only as provided in this Indenture.

The Registrar shall retain copies of all letters, notices and other written communications received pursuant to Section 2.15 or this Section 2.16. The Company shall have the right to inspect

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and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable written notice to the Registrar.

(D) Transfers of Securities Held by Affiliates. Any certificate (i) evidencing a Security that has been transferred to an Affiliate within two (2) years after the Issue Date, as evidenced by a notation on the assignment form for such transfer or in the representation letter delivered in respect thereof or (ii) evidencing a Security that has been acquired from an Affiliate (other than by an Affiliate) in a transaction or a chain of transactions not involving any public offering, shall, until two (2) years after the last date on which the

Company or any Affiliate was an owner of such Security (or such longer period of time as may be required under the Securities Act or applicable state securities laws), in each case, bear the Private Placement Legend, unless otherwise agreed by the Company (with written notice thereof to the Trustee).

(E) Compliance with Transfer Restrictions. None of the Trustee or any agent of the Company or the Trustee shall have any obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer that may be imposed under this Indenture with respect to the Securities or under applicable law with respect to any transfer of any interest in any such Security (including any transfers between or among the Depositary, or its nominee, in respect of a Global Security, any Participant or any owners or holders of beneficial interests in any such global Security), other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by, the terms of such Securities or of this Indenture and to examine the same to determine substantial compliance as to form with the express requirements thereof.

2.17 LEGENDS.

Each Global Security and Physical Security that constitutes a Restricted Security shall bear the legend (the "Private Placement Legend") as set forth in Exhibit B-1 on the face thereof until after the second anniversary of the later of (i) the Issue Date and (ii) the last date on which the Company or any Affiliate was the owner of such Security (or any predecessor security) (or such shorter period of time as permitted by Rule 144(k) under the Securities Act or any successor provision thereunder) (or such longer period of time as may be required under the Securities Act or applicable state securities laws, as set forth in an Opinion of Counsel, unless otherwise agreed between the Company and the Holder thereof) (such date, the "Resale Restriction Termination Date").

Each Security shall bear the legend set forth in Exhibit B-2.

Each Global Security shall also bear the legend as set forth in Exhibit B-3.

III. REDEMPTION AND REPURCHASE

3.01 RIGHT OF REDEMPTION.

(A) Redemption of the Securities, as permitted by any provision of this Indenture, shall be made:

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(i) with respect to a repurchase at the Company's option, in accordance with paragraphs 6 and 7 of the Securities (a "Redemption"),

(ii) with respect to a repurchase at the Holder's option, in accordance with paragraph 8 of the Securities (a "Purchase at Holder's Option") and

(iii) with respect to any repurchase upon a Fundamental Change, in accordance with paragraph 9 of the Securities (a "Repurchase Upon Fundamental Change"),

in each case in accordance with the applicable provisions of this Article III.

(B) The Company shall not have the right to redeem any Securities prior to November 15, 2011. The Company shall have the right, at the Company's option, at any time, and from time to time, on a Redemption Date which is on or after November 15, 2011, to redeem all or any part of the Securities at a price payable in cash equal to the Redemption Price plus accrued and unpaid interest, if any, to, but excluding, the Redemption Date.

(C) Securities in denominations larger than \$2,000 principal amount may be redeemed in part but only in integral multiples of \$1,000 principal amount, subject to the restrictions set forth in Section 2.02.

3.02 NOTICES TO TRUSTEE.

If the Company elects to redeem Securities pursuant to paragraph 6 of the

Securities, it shall notify the Trustee of the Redemption Date, the applicable provision of this Indenture pursuant to which the Redemption is to be made and the aggregate principal amount of Securities to be redeemed, which notice shall be provided to the Trustee by the Company at least five (5) days prior to the mailing, in accordance with Section 3.04, of the notice of Redemption (unless a shorter notice period shall be satisfactory to the Trustee).

3.03 SELECTION OF SECURITIES TO BE REDEEMED.

If the Company has elected to redeem less than all the Securities pursuant to paragraph 6 of the Securities, the Trustee shall, within three (3) days after receiving the notice specified in Section 3.02, select the Securities to be redeemed by lot, on a pro rata basis or in accordance with any other method the Trustee considers fair and appropriate. The Trustee shall make such selection from Securities then outstanding and not already to be redeemed by virtue of having been previously called for Redemption. Subject to the restrictions set forth in Section 2.02, the Trustee may select for Redemption portions of the principal amount of Securities that have denominations larger than \$1,000 principal amount. Securities and portions of them the Trustee selects for Redemption shall be in amounts of \$1,000 principal amount or integral multiples of \$1,000 principal amount. The Trustee shall promptly notify the Company in writing of the Securities selected for Redemption and the principal amount thereof to be redeemed.

The Registrar need not register the transfer of or exchange any Securities that have been selected for Redemption, except the unredeemed portion of the Securities being redeemed in part (subject to the restrictions set forth in Section 2.02). The Registrar need not issue, authenticate,

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register the transfer of or exchange any Security for a period of fifteen (15) days before selecting, pursuant to this Section 3.03, Securities to be redeemed.

3.04 NOTICE OF REDEMPTION.

At least thirty (30) days but not more than sixty (60) days before a Redemption Date, the Company shall mail, or cause to be mailed, by first-class mail a notice of Redemption to each Holder whose Securities are to be redeemed, at the address of such Holder appearing in the security register.

The notice shall identify the Securities and the aggregate principal amount thereof to be redeemed pursuant to the Redemption and shall state:

- (i) the Redemption Date;
- (ii) the Redemption Price plus accrued and unpaid interest, if any, to, but excluding, the Redemption Date;
- (iii) the Conversion Rate and the Conversion Price;
- (iv) the names and addresses of the Paying Agent and the Conversion Agent;
- (v) that Holders who want to convert Securities must satisfy the requirements of Article X;
- (vi) the paragraph of the Securities pursuant to which the Securities are to be redeemed;
- (vii) that Securities called for Redemption must be surrendered to the Paying Agent to collect the Redemption Price plus accrued and unpaid interest, if any, payable as herein provided upon Redemption;
- (viii) that, unless there shall be a Default in the payment of the Redemption Price or accrued and unpaid interest, if any, payable as herein provided upon Redemption, interest on Securities called for Redemption ceases to accrue on and after the Redemption Date, such Securities will cease to be convertible after the close of business on the Business Day immediately preceding the Redemption Date, and all rights of the Holders of such Securities shall terminate on and after the Redemption Date, other than the right to receive, upon surrender of such Securities and in accordance with this Indenture, the Redemption Price and such accrued and

unpaid interest; and

(ix) the CUSIP, ISIN or other similar number or numbers, as the case may be, of the Securities.

The right, pursuant to Article X, to convert Securities called for Redemption shall terminate at the close of business on the Business Day immediately preceding the Redemption Date, unless there shall be a Default in the payment of the Redemption Price or accrued and unpaid interest, if any, payable as herein provided upon Redemption.

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At the Company's request, upon reasonable prior notice, the Trustee shall mail the notice of Redemption in the Company's name and at the Company's expense; provided, however, that the form and content of such notice shall be prepared by the Company.

3.05 EFFECT OF NOTICE OF REDEMPTION.

Once notice of Redemption is mailed, Securities called for Redemption shall become due and payable on the Redemption Date at the Redemption Price plus accrued and unpaid interest to, but excluding, the Redemption Date, and, on and after such Redemption Date (unless there shall be a Default in the payment of the Redemption Price or such accrued and unpaid interest), such Securities shall cease to bear interest, and all rights of the Holders of such Securities shall terminate, other than the right to receive, upon surrender of such Securities and in accordance with the next sentence, the Redemption Price and such accrued and unpaid interest. Upon surrender to the Paying Agent of a Security subject to Redemption, such Security shall be paid, to the Holder surrendering such Security, at the Redemption Price plus accrued and unpaid interest to, but excluding, the Redemption Date; provided, however, that if the Redemption Date is an interest payment date, the interest becoming due on such date shall be paid to the Holder of record of such Security at the close of business on the record date for such interest payment and shall not be included in the accrued and unpaid interest otherwise payable upon Redemption.

If any Security shall not be fully and duly paid upon surrender thereof for Redemption, the principal of, and accrued and unpaid interest on, such Security shall, until paid, bear interest from, and including, the Redemption Date at the rate borne by such Security on the principal amount of such Security, and such Security shall continue to be convertible pursuant to Article X.

Notwithstanding anything herein to the contrary, there shall be no purchase of any Securities pursuant to a Redemption if there has occurred (prior to, on or after, as the case may be, the mailing of the notice of Redemption specified in Section 3.04) and is continuing an Event of Default (other than a Default in the payment of the Redemption Price or accrued and unpaid interest, if any, payable as herein provided upon Redemption). The Paying Agent shall promptly return to the respective Holders thereof any Securities held by it during the continuance of such an Event of Default.

3.06 DEPOSIT OF REDEMPTION PRICE.

Prior to 10:00 a.m., New York City time, on the Redemption Date, the Company shall deposit with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust in accordance with Section 2.04) money, in funds immediately available on the Redemption Date, sufficient to pay the Redemption Price, plus accrued and unpaid interest to, but excluding, the Redemption Date, of all Securities to be redeemed on that date. The Paying Agent shall return to the Company, as soon as practicable, any money not required for that purpose.

3.07 SECURITIES REDEEMED IN PART.

Any Security to be submitted for Redemption only in part shall be delivered pursuant to Section 3.05 (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or its attorney duly authorized in writing), and the Company shall execute, and the Trustee shall authenticate and make available for delivery to the Holder of such Security without

service charge, a new Security or Securities, of any authorized denomination as requested by such Holder, of the same tenor and in aggregate principal amount equal to the portion of such Security not submitted for Redemption, subject to the restrictions set forth in Section 2.02.

If any Security selected for partial Redemption is converted in part, the principal of such Security subject to Redemption shall be reduced by the principal amount of such Security that is converted, subject to the restrictions set forth in Section 2.02.

3.08 PURCHASE OF SECURITIES AT OPTION OF THE HOLDER.

(A) At the option of the Holder thereof, Securities (or portions thereof that are integral multiples of \$1,000 in principal amount) shall be purchased by the Company pursuant to paragraph 8 of the Securities on November 15, 2011, November 15, 2014 and November 15, 2019 (each, an "Option Purchase Date"), at a purchase price, payable in cash, equal to one hundred percent (100%) of the principal amount of the Securities (or such portions thereof) to be so purchased (the "Option Purchase Price"), plus accrued and unpaid interest, if any, to, but excluding, the applicable Option Purchase Date, upon:

(i) delivery to the Company (if it is acting as its own Paying Agent), or to a Paying Agent designated by the Company for such purpose in the Option Purchase Notice, by such Holder, at any time from the opening of business on the date that is twenty (20) Business Days prior to the applicable Option Purchase Date until the close of business on the Business Day immediately preceding the applicable Option Purchase Date, of a Purchase Notice, in the form set forth in the Securities or any other form of written notice substantially similar thereto, in each case, duly completed and signed, with appropriate signature guarantee, stating:

(a) if the Securities are held in certificated form, the certificate number(s) of the Securities which the Holder will deliver to be purchased;

(b) the principal amount of Securities to be purchased, which must be an integral multiple of \$1,000; and

(c) that such principal amount of Securities are to be purchased as of the applicable Option Purchase Date pursuant to the terms and conditions specified in paragraph 8 of the Securities and in this Indenture; and

(ii) delivery to the Company (if it is acting as its own Paying Agent), or to a Paying Agent designated by the Company for such purpose in the Option Purchase Notice, at any time after delivery of such Purchase Notice, of such Securities (together with all necessary endorsements), such delivery being a condition to receipt by the Holder of the Option Purchase Price therefor plus accrued and unpaid interest, if any, payable as herein provided upon Purchase at Holder's Option.

If such Securities are held in book-entry form through the Depository, the Purchase Notice shall comply with applicable procedures of the Depository.

Upon such delivery of Securities to the Company (if it is acting as its own Paying Agent) or such Paying Agent, such Holder shall be entitled to receive from the Company or such Paying Agent, as the case may be, a nontransferable receipt of deposit evidencing such delivery.

Notwithstanding anything herein to the contrary, any Holder that has delivered the Purchase Notice contemplated by this Section 3.08(A) to the Company (if it is acting as its own Paying Agent) or to a Paying Agent designated by the Company for such purpose in the Option Purchase Notice shall have the right to withdraw such Purchase Notice by delivery, at any time prior to the close of business on the Business Day immediately preceding the applicable Option Purchase Date, of a written notice of withdrawal to the

Company (if acting as its own Paying Agent) or the Paying Agent, which notice shall contain the information specified in Section 3.08(B)(vii).

The Paying Agent shall promptly notify the Company of the receipt by it of any Purchase Notice or written notice of withdrawal thereof.

(B) The Company shall give notice (the "Option Purchase Notice") on a date not less than twenty (20) Business Days prior to each Option Purchase Date to all Holders at their addresses shown in the register of the Registrar and to beneficial owners as required by applicable law. Such notice shall state:

(i) the Option Purchase Price plus accrued and unpaid interest, if any, to, but excluding, such Option Purchase Date and the Conversion Rate;

(ii) the names and addresses of the Paying Agent and the Conversion Agent;

(iii) that Securities with respect to which a Purchase Notice is given by a Holder may be converted pursuant to Article X, if otherwise convertible in accordance with Article X, only if such Purchase Notice has been withdrawn in accordance with this Section 3.08 or if there shall be a Default in the payment of such Option Purchase Price or in accrued and unpaid interest, if any, payable as herein provided upon Purchase at Holder's Option;

(iv) that Securities must be surrendered to the Paying Agent to collect payment of the Option Purchase Price plus accrued and unpaid interest, if any, payable as herein provided upon Purchase at Holder's Option;

(v) that the Option Purchase Price, plus accrued and unpaid interest, if any, to, but excluding, such Option Purchase Date, for any Security as to which a Purchase Notice has been given and not withdrawn will be paid as promptly as practicable, but in no event more than five (5) Business Days, following the later of such Option Purchase Date or the time of delivery of the Security as described in clause (iv) above;

(vi) the procedures the Holder must follow to exercise rights under this Section 3.08 (including the name and address of the Paying Agent) and a brief description of those rights;

(vii) that a Holder will be entitled to withdraw its election in the Purchase Notice if the Company (if acting as its own Paying Agent) or the Paying Agent receives, at any time prior to the close of business on the Business Day immediately preceding the applicable

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Option Purchase Date, or such longer period as may be required by law, a letter or facsimile transmission (receipt of which is confirmed and promptly followed by a letter) setting forth (I) the name of such Holder, (II) a statement that such Holder is withdrawing its election to have Securities purchased by the Company on such Option Purchase Date pursuant to a Purchase at Holder's Option, (III) if the Securities are held in certificated form, the certificate number of such Securities to be so withdrawn, (IV) the principal amount of the Securities of such Holder to be so withdrawn, which amount must be \$1,000 or an integral multiple thereof and (V) the principal amount, if any, of the Securities of such Holder that remain subject to the Purchase Notice delivered by such Holder in accordance with this Section 3.08, which amount must be \$1,000 or an integral multiple thereof;

(viii) that, on and after the applicable Option Purchase Date (unless there shall be a Default in the payment of such Option Purchase Price or such accrued and unpaid interest), interest on Securities subject to Purchase at Holder's Option will cease to accrue, such Securities shall cease to be convertible pursuant to Article X, and all rights of the Holders of such Securities shall terminate, other than the right to receive, upon surrender of such Securities and in accordance with this Section 3.08, the Option Purchase Price and such accrued and unpaid interest; and

(ix) the CUSIP, ISIN or similar number or numbers, as the case may

be, of the Securities.

At the Company's request, upon reasonable prior notice, the Trustee shall mail such Option Purchase Notice in the Company's name and at the Company's expense; provided, however, that the form and content of such Option Purchase Notice shall be prepared by the Company.

No failure of the Company to give an Option Purchase Notice shall limit any Holder's right to exercise its rights to require the Company to purchase such Holder's Securities pursuant to a Purchase at Holder's Option.

(C) Subject to the provisions of this Section 3.08, the Company shall deposit with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust in accordance with Section 2.04) money, in immediately available funds, sufficient to pay the Option Purchase Price, plus accrued and unpaid interest, if any, to, but excluding, the applicable Option Purchase Date, with respect to each Security subject to Purchase at Holder's Option as promptly as practicable but in no event later than 10:00 a.m., New York City time, on the date that is the fifth Business Day following the later of such Option Purchase Date and the time such Security (together with all necessary endorsements) is surrendered to the Paying Agent. The Paying Agent shall return to the Company, as soon as practicable, any money not required for that purpose.

(D) Subject to Section 3.08(C), once the Purchase Notice has been duly delivered in accordance with this Section 3.08, the Securities to be purchased pursuant to the Purchase at Holder's Option shall, on the applicable Option Purchase Date, become due and payable at the Option Purchase Price (plus accrued and unpaid interest, if any, to, but excluding, such Option Purchase Date) applicable thereto, and, on and after such date (unless there shall be a Default in the payment of the Option Purchase Price or such accrued and unpaid interest), such Securities shall cease to bear interest and shall cease to be convertible pursuant to Article X, and all rights of the Holders of such Securities

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shall terminate, other than the right to receive, in accordance with this Section 3.08, the Option Purchase Price and such accrued and unpaid interest.

(E) Securities with respect to which a Purchase Notice has been duly delivered in accordance with this Section 3.08 may be converted pursuant to Article X, if otherwise convertible in accordance with Article X, only if such Purchase Notice has been withdrawn in accordance with this Section 3.08 or if there shall be a Default in the payment of the Option Purchase Price or in the accrued and unpaid interest, if any, payable as herein provided upon Purchase at Holder's Option.

(F) Subject to Section 3.08(C), if any Security shall not be paid upon surrender thereof for Purchase at Holder's Option, the principal of, and accrued and unpaid interest on, such Security shall, until paid, bear interest from, and including, the applicable Option Purchase Date at the rate borne by such Security on the principal amount of such Security, and such Security shall continue to be convertible pursuant to Article X.

(G) Any Security which is to be submitted for Purchase at Holder's Option only in part shall be delivered pursuant to this Section 3.08 (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or its attorney duly authorized in writing), and the Company shall execute, and the Trustee shall authenticate and make available for delivery to the Holder of such Security without service charge, a new Security or Securities, of any authorized denomination as requested by such Holder, of the same tenor and in aggregate principal amount equal to the portion of such Security not submitted for Purchase at Holder's Option.

(H) Notwithstanding anything herein to the contrary, the Company shall not be required to purchase any Securities pursuant to this Section 3.08 if there has occurred (prior to, on or after, as the case may be, the giving, by the Holders of such Securities, of the required Purchase Notice) and is continuing an Event of Default (other than a Default in the payment of the Option Purchase Price or accrued and unpaid interest, if any, payable as herein provided upon Purchase at Holder's Option). The Paying Agent shall promptly return to the

respective Holders thereof any Securities held by it during the continuance of an Event of Default (other than a Default in the payment of the Option Purchase Price or such accrued and unpaid interest).

(I) Notwithstanding anything herein to the contrary, if the option granted to Holders to require the purchase of the Securities on the applicable Option Purchase Date is determined to constitute a tender offer, the Company shall comply with all applicable tender offer rules under the Exchange Act and the rules thereunder, including Rule 13e-4 and Regulation 14E under the Exchange Act, and with all other applicable laws, and shall file a Schedule TO or any other schedules required under the Exchange Act, the rules thereunder or any other applicable laws.

3.09 REPURCHASE AT OPTION OF HOLDER UPON A FUNDAMENTAL CHANGE.

(A) In the event any Fundamental Change (as defined below) shall occur, each Holder of Securities shall have the right (the "Fundamental Change Repurchase Right"), at such Holder's option, to require the Company to repurchase all of such Holder's Securities (or portions thereof that are integral multiples of \$1,000 in principal amount), on a date selected by the Company (the "Fundamental Change Repurchase Date"), which Fundamental Change Repurchase Date shall be no

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later than thirty (30) Trading Days, and no earlier than twenty (20) Trading Days, after the date the Fundamental Change Notice (as defined below) is mailed in accordance with Section 3.09(B), and no earlier than the date such Fundamental Change occurs, at a price, payable in cash (except, with respect to any applicable Make-Whole Premium, to the extent provided in Section 3.09(J)), equal to one hundred percent (100%) of the principal amount of the Securities (or portions thereof) to be so repurchased (the "Fundamental Change Repurchase Price"), plus accrued and unpaid interest, if any, to, but excluding, the Fundamental Change Repurchase Date, plus, as determined in accordance with, and in the manner and form as set forth in, Section 3.09(J), any applicable Make-Whole Premium, upon:

(i) delivery to the Company (if it is acting as its own Paying Agent), or to a Paying Agent designated by the Company for such purpose in the Fundamental Change Notice, no later than the close of business on the Business Day immediately preceding the Fundamental Change Repurchase Date, of a Purchase Notice, in the form set forth in the Securities or any other form of written notice substantially similar thereto, in each case, duly completed and signed, with appropriate signature guarantee, stating:

(a) if the Securities are held in certificated form, the certificate number(s) of the Securities which the Holder will deliver to be repurchased;

(b) the principal amount of Securities to be repurchased, which must be \$1,000 or an integral multiple thereof; and

(c) that such principal amount of Securities are to be repurchased pursuant to the terms and conditions specified in paragraph 9 of the Securities and in this Indenture; and

(ii) delivery to the Company (if it is acting as its own Paying Agent), or to a Paying Agent designated by the Company for such purpose in the Fundamental Change Notice, at any time after the delivery of such Purchase Notice, of such Securities (together with all necessary endorsements) with respect to which the Fundamental Change Repurchase Right is being exercised, such delivery being a condition to receipt by the Holder of the Fundamental Change Repurchase Price therefor plus accrued and unpaid interest, if any, payable as herein provided upon Repurchase Upon Fundamental Change.

If such Securities are held in book-entry form through the Depositary, the Purchase Notice shall comply with applicable procedures of the Depositary.

Upon such delivery of Securities to the Company (if it is acting as its own Paying Agent) or such Paying Agent, such Holder shall be entitled to receive from the Company or such Paying Agent, as the case may be, a nontransferable receipt of deposit evidencing such delivery.

Notwithstanding anything herein to the contrary, any Holder that has delivered the Purchase Notice contemplated by this Section 3.09(A) to the Company (if it is acting as its own Paying Agent) or to a Paying Agent designated by the Company for such purpose in the Fundamental Change Notice shall have the right to withdraw such Purchase Notice by delivery, at any time prior to the close of business on the Business Day immediately preceding the Fundamental Change Repurchase Date, of a

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written notice of withdrawal to the Company (if acting as its own Paying Agent) or the Paying Agent, which notice shall contain the information specified in Section 3.09(B) (xi).

The Paying Agent shall promptly notify the Company of the receipt by it of any Purchase Notice or written notice of withdrawal thereof.

(B) Within fifteen (15) days after the occurrence of a Fundamental Change, the Company shall mail, or cause to be mailed, to all Holders of record of the Securities at their addresses shown in the register of the Registrar, and to beneficial owners as required by applicable law, a notice (the "Fundamental Change Notice") of the occurrence of such Fundamental Change and the Fundamental Change Repurchase Right arising as a result thereof. The Company shall deliver a copy of the Fundamental Change Notice to the Trustee and shall cause a copy to be published at the expense of the Company in THE NEW YORK TIMES or THE WALL STREET JOURNAL or another newspaper of national circulation.

Each Fundamental Change Notice shall state:

- (i) the events causing the Fundamental Change;
- (ii) the date of such Fundamental Change;
- (iii) the Fundamental Change Repurchase Date;
- (iv) the date by which the Fundamental Change Repurchase Right must be exercised;
- (v) the Fundamental Change Repurchase Price plus accrued and unpaid interest, if any, to, but excluding, the Fundamental Change Repurchase Date and, if applicable, the Make-Whole Premium;
- (vi) if a Make-Whole Premium shall be payable as provided herein with respect to such Fundamental Change, the form and amount of consideration in which such Make-Whole Premium shall be paid;
- (vii) the names and addresses of the Paying Agent and the Conversion Agent;
- (viii) a description of the procedures which a Holder must follow to exercise the Fundamental Change Repurchase Right;
- (ix) that, in order to exercise the Fundamental Change Repurchase Right, the Securities must be surrendered for payment of the Fundamental Change Repurchase Price plus accrued and unpaid interest, if any, payable as herein provided upon Repurchase Upon Fundamental Change, plus any applicable Make-Whole Premium;
- (x) that, on and after such Fundamental Change Repurchase Date (unless there shall be a Default in the payment of such Fundamental Change Repurchase Price or such accrued and unpaid interest), interest on Securities subject to Repurchase Upon Fundamental Change will cease to accrue, such Securities shall cease to be convertible pursuant to Article

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X, and all rights of the Holders of such Securities shall terminate, other than the right to receive, upon surrender of such Securities, the Fundamental Change Repurchase Price and such accrued and unpaid interest and any applicable Make-Whole Premium;

(xi) that a Holder will be entitled to withdraw its election in the Purchase Notice if the Company (if acting as its own Paying Agent), or the Paying Agent receives, prior to the close of business on the Business Day immediately preceding the Fundamental Change Repurchase Date, or such longer period as may be required by law, a letter or facsimile transmission (receipt of which is confirmed and promptly followed by a letter) setting forth (I) the name of such Holder, (II) a statement that such Holder is withdrawing its election to have Securities purchased by the Company on such Fundamental Change Repurchase Date pursuant to a Repurchase Upon Fundamental Change, (III) if the Securities are held in certificated form, the certificate number of such Securities to be so withdrawn, (IV) the principal amount of the Securities of such Holder to be so withdrawn, which amount must be \$1,000 or an integral multiple thereof and (V) the principal amount, if any, of the Securities of such Holder that remain subject to the Purchase Notice delivered by such Holder in accordance with this Section 3.09, which amount must be \$1,000 or an integral multiple thereof;

(xii) the Conversion Rate and any adjustments to the Conversion Rate that will result from such Fundamental Change;

(xiii) that Securities with respect to which a Purchase Notice is given by a Holder may be converted pursuant to Article X, if otherwise convertible in accordance with Article X, only if such Purchase Notice has been withdrawn in accordance with this Section 3.09 or if there shall be a Default in the payment of the Fundamental Change Repurchase Price or in the accrued and unpaid interest, if any, payable as herein provided upon Repurchase Upon Fundamental Change or in any applicable Make-Whole Premium; and

(xiv) the CUSIP, ISIN or similar number or numbers, as the case may be, of the Securities.

At the Company's request, upon reasonable prior notice, the Trustee shall mail such Fundamental Change Notice in the Company's name and at the Company's expense; provided, however, that the form and content of such Fundamental Change Notice shall be prepared by the Company.

No failure of the Company to give a Fundamental Change Notice shall limit any Holder's right to exercise a Fundamental Change Repurchase Right.

(C) Subject to the provisions of this Section 3.09, the Company shall deposit with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust in accordance with Section 2.04) money, in immediately available funds, and, if applicable as provided in, and in accordance with, Section 3.09(J), such other consideration in which any applicable Make-Whole Premium is payable, sufficient to pay the Fundamental Change Repurchase Price, plus accrued and unpaid interest, if any, to, but excluding, the applicable Fundamental Change Repurchase Date, plus, in accordance with Section 3.09(J), any applicable Make-Whole Premium, with respect to each Security

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that is to be repurchased by the Company pursuant to a Repurchase Upon Fundamental Change, which deposit or segregation, as the case may be, shall occur as promptly as practicable but in no event later than 10:00 a.m., New York City time, on the date that is the fifth Business Day following the later of such Fundamental Change Repurchase Date and the time such Security is surrendered (together with all necessary endorsements) to the Paying Agent.

(D) Subject to Section 3.09(C), once the Fundamental Change Notice and the Purchase Notice have been duly given in accordance with this Section 3.09, the Securities to be repurchased pursuant to a Repurchase Upon Fundamental Change shall, on the Fundamental Change Repurchase Date, become due and payable at the Fundamental Change Repurchase Price (plus accrued and unpaid interest, if any, to, but excluding, the Fundamental Change Repurchase Date and any applicable Make-Whole Premium) applicable thereto, and, on and after such date (unless there shall be a Default in the payment of the Fundamental Change Repurchase Price or such accrued and unpaid interest or any such Make-Whole Premium), such Securities shall cease to bear interest and shall cease to be convertible pursuant to Article X, and all rights of the Holders of such Securities shall

terminate, other than the right to receive, in accordance with this Section 3.09, the Fundamental Change Repurchase Price and such accrued and unpaid interest and any such Make-Whole Premium.

(E) Securities with respect to which a Purchase Notice has been duly delivered in accordance with this Section 3.09 may be converted pursuant to Article X, if otherwise convertible in accordance with Article X, only if such Purchase Notice has been withdrawn in accordance with this Section 3.09 or if there shall be a Default in the payment of the Fundamental Change Repurchase Price or in the accrued and unpaid interest, if any, payable as herein provided upon Repurchase Upon Fundamental Change or in any applicable Make-Whole Premium.

(F) Subject to Section 3.09(C), if any Security shall not be paid upon surrender thereof for Repurchase Upon Fundamental Change, the principal of, and accrued and unpaid interest on, and any Make-Whole Premium payable with respect to, such Security shall, until paid, bear interest, payable in cash, from, and including, the Fundamental Change Repurchase Date at the rate borne by such Security on the principal amount of such Security, and such Security shall continue to be convertible pursuant to Article X. For avoidance of doubt, any interest accrued, pursuant to this Section 3.09(F), on any applicable Make-Whole Premium shall be payable by the Company exclusively in cash.

(G) Any Security which is to be submitted for Repurchase Upon Fundamental Change only in part shall be delivered pursuant to this Section 3.09 (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or its attorney duly authorized in writing), and the Company shall execute, and the Trustee shall authenticate and make available for delivery to the Holder of such Security without service charge, a new Security or Securities, of any authorized denomination as requested by such Holder, of the same tenor and in aggregate principal amount equal to the portion of such Security not duly submitted for Repurchase Upon Fundamental Change.

(H) Notwithstanding anything herein to the contrary, there shall be no purchase of any Securities pursuant to this Section 3.09 if there has occurred (prior to, on or after, as the case may be, the giving, by the Holders of such Securities, of the required Purchase Notice) and is continuing an Event of Default (other than a Default in the payment of the Fundamental Change Repurchase Price or accrued and unpaid interest, if any, payable as herein provided upon Repurchase Upon Fundamental

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Change or in any applicable Make-Whole Premium). The Paying Agent shall promptly return to the respective Holders thereof any Securities held by it during the continuance of an Event of Default (other than a Default in the payment of the Fundamental Change Repurchase Price or such accrued and unpaid interest or in any applicable Make-Whole Premium).

(I) Notwithstanding anything herein to the contrary, if the option granted to Holders to require the repurchase of the Securities upon the occurrence of a Fundamental Change is determined to constitute a tender offer, the Company shall comply with all applicable tender offer rules under the Exchange Act and the rules thereunder, including Rule 13e-4 and Regulation 14E under the Exchange Act, and with all other applicable laws, and will file a Schedule TO or any other schedules required under the Exchange Act, the rules thereunder or any other applicable laws.

(J) Make-Whole Fundamental Changes.

(i) If a Holder of a Security either:

(a) elects to require the Company, in accordance with this Section 3.09, to repurchase such Security in connection with a Make-Whole Fundamental Change; or

(b) surrenders such Security for conversion, in accordance with Article X, at any time during the period that begins on, and includes, the date that is fifteen (15) Business Days prior to the date originally announced by the Company as the anticipated effective date of such Make-Whole Fundamental Change (which anticipated effective date the Company shall disclose, in good faith, in the written notice and public announcement referred to in

Section 10.01(C)) and ends on, and includes, the date that is fifteen (15) Business Days after the actual effective date of such Make-Whole Fundamental Change,

then such Holder shall be entitled to receive a Make-Whole Premium (as determined in accordance with, and in the manner and form as set forth, in this Section 3.09(J)) from the Company in addition to any other consideration that is otherwise payable, as herein provided, to such Holder in connection with such repurchase or conversion, as the case may be.

(ii) As used herein, "Make-Whole Premium" shall mean, with respect to a Security to be converted or repurchased in connection with a Make-Whole Fundamental Change, an amount, payable in the form and amount of consideration set forth in Section 3.09(J)(iv), equal to the product of the Applicable Percentage for such Make-Whole Fundamental Change and the principal amount of such Security to be converted or repurchased. As used herein, "Applicable Percentage" shall mean, with respect to a Make-Whole Fundamental Change, the percentage, set forth in the following table, which corresponds to the effective date of such Make-Whole Fundamental Change (the "Effective Date") and the Applicable Price of such Make-Whole Fundamental Change:

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Make-whole premium upon certain fundamental changes
(% of principal amount)

Applicable price	Effective date							
	November 10, 2004	November 15, 2005	November 15, 2006	November 15, 2007	November 15, 2008	November 15, 2009	November 15, 2010	November 15, 2011
\$ 26.80.....	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
30.00.....	5.0	3.8	2.8	1.8	0.9	0.0	0.0	0.0
35.00.....	15.0	13.5	12.2	10.7	9.2	7.3	4.7	0.0
40.00.....	20.9	19.3	17.7	16.0	14.0	11.6	8.0	0.0
45.00.....	18.9	17.2	15.5	13.6	11.4	8.7	4.9	0.0
50.00.....	17.3	15.5	13.7	11.8	9.5	6.7	3.1	0.0
55.00.....	15.9	14.1	12.3	10.4	8.1	5.4	2.1	0.0
60.00.....	14.8	13.0	11.2	9.3	7.1	4.5	1.5	0.0
65.00.....	13.8	12.1	10.3	8.4	6.3	3.9	1.2	0.0
70.00.....	13.0	11.3	9.6	7.7	5.7	3.4	1.1	0.0
75.00.....	12.2	10.6	8.9	7.2	5.2	3.1	1.0	0.0
80.00.....	11.6	10.0	8.4	6.7	4.9	2.9	0.9	0.0
85.00.....	11.0	9.5	7.9	6.3	4.6	2.7	0.9	0.0
90.00.....	10.5	9.0	7.5	6.0	4.3	2.6	0.9	0.0
95.00.....	10.0	8.6	7.1	5.7	4.1	2.5	0.8	0.0
100.00.....	9.6	8.2	6.8	5.4	3.9	2.4	0.8	0.0
105.00.....	9.2	7.8	6.5	5.2	3.8	2.3	0.8	0.0
110.00.....	8.8	7.5	6.2	4.9	3.6	2.2	0.8	0.0

provided, however, that:

(a) if the actual Applicable Price of such Make-Whole Fundamental Change is between two (2) prices listed in the table above under the column titled "Applicable Price," or if the actual Effective Date of such Make-Whole Fundamental Change is between two dates listed in the table above in the row immediately below the title "Effective Date," then the Applicable Percentage for such Make-Whole Fundamental Change shall be determined by linear interpolation between the Applicable Percentages set forth for such two prices, or for such two dates based on a three hundred and sixty five (365) day year or three hundred and sixty six (366) day year, as applicable;

(b) if the actual Applicable Price of such Make-Whole Fundamental Change is greater than \$110.00 per share (subject to adjustment as provided in Section 3.09(J)(ii)(c)), or if the actual Applicable Price of such Make-Whole Fundamental Change is equal to or less than \$26.80 per share (subject to adjustment as provided in Section 3.09(J)(ii)(c)), then the Applicable Percentage shall be equal to zero (0); and

(c) if an event occurs that requires, pursuant to Article X, an adjustment to the Conversion Rate, then, on the date and at the time such adjustment is required, pursuant to Article X, to be made,

each price set forth in the table above under the column titled "Applicable Price" shall be deemed to be adjusted so that such price, at and after such time, shall be equal to the product of (1) such price as in effect immediately before such adjustment to such price and (2) a fraction whose numerator is the Conversion Rate in effect immediately before such adjustment to the Conversion Rate and whose denominator is the Conversion Rate to be in effect, in accordance with Article X, immediately after such adjustment to the Conversion Rate.

(iii) As used herein, "Applicable Price" shall have the following meaning with respect to a Make-Whole Fundamental Change: (a) if such Make-Whole Fundamental Change is a transaction or series of transactions as a result of which fifty percent (50%) or more of the shares of Common Stock outstanding immediately before such Make-Whole Fundamental Change are exchanged for, converted into, acquired for, or constitute solely the right to receive, solely cash, then the "Applicable Price" with respect to such Make-Whole Fundamental Change shall mean the cash amount paid per share of Common Stock

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exchanged, converted, acquired or constituting such a right in such transaction or series of transactions; and (b) in all other circumstances, the "Applicable Price" with respect to such Make-Whole Fundamental Change shall mean the average of the Closing Sale Prices per share of Common Stock for the five (5) consecutive Trading Days immediately preceding the Effective Date of such Make-Whole Fundamental Change, which average shall be appropriately adjusted by the Board of Directors, in its good faith determination, to account for any adjustment, pursuant hereto, to the Conversion Rate that shall become effective, or any event requiring, pursuant hereto, an adjustment to the Conversion Rate where the Ex Date of such event occurs, at any time during such five (5) consecutive Trading Days.

(iv) The Make-Whole Premium with respect to a Make-Whole Fundamental Change shall be paid by the Company solely in the same form of consideration which shares of Common Stock are exchanged for, converted into, acquired for, or constitute solely the right to receive as a result of the transaction or transactions constituting such Make-Whole Fundamental Change, assuming that the holder of such shares would not have exercised any rights of election that such holder would have had as a holder of Common Stock to select a particular type of consideration. For purposes hereof, such consideration shall be valued as follows:

(a) securities traded on a U.S. national securities exchange or approved for quotation on the Nasdaq National Market or any similar system of automated dissemination of quotations of securities prices shall be valued at the average closing sale price or last sale price, as applicable, of such securities over the ten (10) consecutive Trading Days ending on, and including, the second Trading Day immediately preceding the applicable Fundamental Change Repurchase Date;

(b) securities other than those specified in clause (a) above, and assets or property (other than cash), shall be valued at ninety eight percent (98%) of the average of the fair market value, as of the close of business on the Trading Day immediately preceding the applicable Fundamental Change Repurchase Date, of such securities, assets or property, as the case may be, as determined by an independent, nationally recognized investment bank selected by the Trustee; and

(c) cash shall be valued at one hundred percent (100%) of its face value;

provided, however, that, if any such consideration consists of securities, then the Board of Directors shall, in its good faith determination, appropriately adjust the value, as specified in Section 3.09(J)(iv)(a) or Section 3.09(J)(iv)(b), as applicable, of such securities to account for any event that, assuming such securities were Common Stock, would require, pursuant hereto, an adjustment to the Conversion Rate to become effective.

The type and amount of consideration in which a Make-Whole Premium that is payable pursuant to this Section 3.09(J) shall be paid, in addition to the manner in which the amount of such consideration is calculated, shall be publicly announced by the Company no later than the open of business on the applicable Fundamental Change Repurchase Date.

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(v) Notwithstanding anything contained herein to the contrary, if any payments to be made hereunder in respect of the Make-Whole Premium are required to be paid in shares of the Common Stock and such payments would cause the Nasdaq Share Limitation to be exceeded, the Company shall reduce the Make-Whole Premium by that amount which is determined by the Company in good faith to be necessary so that the Nasdaq Share Limitation shall not be exceeded; provided, however, that that Make-Whole Premium shall be reduced by no more than that amount necessary to cause the Nasdaq Share Limitation not to be exceeded.. Notwithstanding anything contained herein to the contrary, in the event that the number of shares that Holders are entitled to receive hereunder in such circumstance is reduced by reason of the immediately preceding sentence, Holders shall not receive any substitute or additional consideration as a result.

(vi) The Company shall cause any Make-Whole Premium payable pursuant to this Section 3.09(J) with respect to a Security in connection with the conversion of such Security pursuant to Article X to be paid, through the Conversion Agent, as soon as practicable, but in no event after the later of (a) the applicable Fundamental Change Repurchase Date and (b) the date such Security is tendered for such conversion. The Company shall cause any Make-Whole Premium payable, pursuant to this Section 3.09(J), with respect to a Security in connection with the Company's repurchase of such Security pursuant to this Section 3.09 to be paid within the time period specified in Section 3.09(C).

(K) As used herein and in the Securities:

A "Fundamental Change" shall be deemed to have occurred upon the occurrence of either a "Change in Control" or a "Termination of Trading."

A "Change in Control" shall be deemed to have occurred at such time as:

(i) any "person" or "group" (as such terms are used for purposes of Sections 13(d) and 14(d) of the Exchange Act) is or becomes the "beneficial owner" (as such term is used in Rule 13d-3 under the Exchange Act), directly or indirectly, of fifty percent (50%) or more of the Company's Voting Stock; or

(ii) at any time the following persons cease for any reason to constitute a majority of the Company's Board of Directors:

(1) individuals who on the Issue Date constituted the Company's Board of Directors; and

(2) any new directors whose election to the Company's Board of Directors or whose nomination for election by the Company's stockholders was approved by at least a majority of the directors of the Company then still in office either who were directors of the Company on the Issue Date or whose election or nomination for election was previously so approved; or

(iii) the Company consolidates with, or merges with or into, another person or any person consolidates with, or merges with or into, the Company, in any such event other than pursuant to a transaction in which:

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(1) the persons that "beneficially owned" (as such term is used in Rule 13d-3 under the Exchange Act), directly or indirectly, the shares of the Company's Voting Stock immediately prior to such transaction, "beneficially own" (as such term is used in Rule 13d-3 under the Exchange Act), directly or indirectly, immediately after such transaction, shares of the surviving or continuing

corporation's Voting Stock representing at least a majority of the total voting power of all outstanding classes of the Voting Stock of the surviving or continuing corporation; and

(2) the persons that "beneficially owned" (as such term is used in Rule 13d-3 under the Exchange Act), directly or indirectly, the shares of the Company's Common Stock immediately prior to such transaction, "beneficially own" (as such term is used in Rule 13d-3 under the Exchange Act), directly or indirectly, immediately after such transaction shares of common stock of the surviving or continuing corporation in substantially the same proportion to each other as such ownership immediately prior to the transaction; or

(iv) the sale, transfer, lease, conveyance or other disposition of all or substantially all of the property or assets of the Company to any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), including any group acting for the purpose of acquiring, holding, voting or disposing of securities within the meaning of Rule 13d-5(b)(1) under the Exchange Act;

provided, however, that a merger or consolidation shall be deemed not to constitute Change in Control if at least ninety percent (90%) of the consideration (other than cash payments for fractional shares or pursuant to statutory appraisal rights) in such merger or consolidation consists of common stock and any associated rights traded on a U.S. national securities exchange or quoted on the Nasdaq National Market (or which shall be so traded or quoted when issued or exchanged in connection with such merger or consolidation), and, as a result of such merger or consolidation, the Securities become convertible solely into such common stock and associated rights.

A "Termination of Trading" shall be deemed to have occurred if the Common Stock of the Company (or other common stock into which the Securities are then convertible) is neither listed for trading on a U.S. national securities exchange nor approved for trading on an established automated over-the-counter trading market in the United States.

IV. COVENANTS

4.01 PAYMENT OF SECURITIES.

The Company shall pay all amounts due with respect to the Securities on the dates and in the manner provided in the Securities. All such amounts shall be considered paid on the date due if the Paying Agent holds (or, if the Company is acting as Paying Agent, the Company has segregated and holds in trust in accordance with Section 2.04) on that date money (and, if applicable as provided herein and in accordance herewith, such other consideration in which any applicable Make-Whole

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Premium is payable) sufficient to pay the amount then due with respect to the Securities (unless there shall be a Default in the payment of such amounts to the respective Holder(s)).

The Company shall pay interest on any overdue amount (including, to the extent permitted by applicable law, statute or regulation, overdue interest) at the rate borne by the Securities.

4.02 MAINTENANCE OF OFFICE OR AGENCY.

The Company shall maintain in the Borough of Manhattan, the City of New York, an office or agency (which may be an office of the Trustee or an affiliate of the Trustee, Registrar or co-Registrar) where Securities may be surrendered for registration of transfer or exchange or conversion and where notices and demands to or upon the Company in respect of the Securities and this Indenture may be served. The Company shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee.

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

The Company hereby designates the Corporate Trust Office of the Trustee as an agency of the Company in accordance with Section 2.03.

4.03 RULE 144A INFORMATION AND ANNUAL REPORTS.

(A) At any time when the Company is not subject to Sections 13 or 15(d) of the Exchange Act, the Company shall promptly provide to the Trustee and shall, upon request, provide to any Holder, beneficial owner or prospective purchaser of Securities or shares of Common Stock issued upon conversion of any Securities, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act to facilitate the resale of such Securities or shares of Common Stock pursuant to Rule 144A.

(B) The Company shall, to the extent required to comply with TIA ss. 314(a), deliver to the Trustee, within thirty (30) calendar days after the Company files such annual or other financial reports with the SEC, copies of the Company's annual reports (which shall contain audited financial statements of the Company) and other financial reports which the Company is required to file with the SEC pursuant to Section 13 or Section 15(d) of the Exchange Act; provided, however, that the Company shall not be required to deliver to the Trustee any material for which the Company has sought and received confidential treatment by the SEC. In the event the Company is at any time no longer subject to the reporting requirements of Section 13 or Section 15(d) of the Exchange Act, the Company shall continue to provide the Trustee, within thirty (30) calendar days after the date the Company would have been required to file such reports with the SEC, annual and quarterly

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consolidated financial statements substantially equivalent to financial statements that would have been included in reports filed with the SEC if the Company were subject to the reporting requirements of Section 13 or Section 15(d) of the Exchange Act, including, with respect to annual information only, a report thereon by the Company's certified independent public accountants as such would be required in such reports filed with the SEC. The Company also shall comply with the other provisions of TIA ss. 314(a).

(C) Delivery of any reports, information and documents to the Trustee pursuant to this Section 4.03 is for informational purposes only, and the Trustee's receipt of such reports, information and documents shall not constitute notice or constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officer's Certificates).

4.04 COMPLIANCE CERTIFICATE.

The Company shall deliver to the Trustee, within ninety (90) calendar days after the end of each fiscal year of the Company, or, if earlier, within thirty (30) calendar days after the date the Company is, or would be, required to file with the SEC the Company's annual report (whether on Form 10-K under the Exchange Act or another appropriate form) for such fiscal year, an Officer's Certificate stating whether or not the signatory to such Officer's Certificate knows of any Default or Event of Default by the Company in performing any of its obligations under this Indenture or the Securities. If such signatory knows of any such Default or Event of Default, then such Officer's Certificate shall describe the Default or Event of Default and its status. The Company shall also deliver to the Trustee, not less often than annually, a brief certificate from the principal executive officer, principal financial officer or principal accounting officer of the Company as to his or her knowledge of the Company's compliance with all conditions and covenants under this Indenture in accordance with TIA ss. 314(a)(4); provided, however, that such certificate may be issued together with or included in the Officer's Certificate described above to the extent that it satisfies the requirements set forth in TIA ss. 314(a)(4).

4.05 STAY, EXTENSION AND USURY LAWS.

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

4.06 CORPORATE EXISTENCE.

Subject to Article V, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence in accordance with its organizational documents.

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4.07 NOTICE OF DEFAULT.

In the event that any Default or Event of Default shall occur, the Company shall give prompt written notice of such Default or Event of Default, and any remedial action proposed to be taken, to the Trustee.

4.08 LIMITATION ON LAYERING INDEBTEDNESS.

The Company shall not incur, create, issue, assume, guarantee or otherwise become liable for any Indebtedness that is subordinate or junior in right of payment to any Senior Indebtedness and senior in any respect in right of payment to the Securities.

4.09 PAYMENT OF ADDITIONAL INTEREST.

If additional interest is payable by the Company pursuant to the Registration Rights Agreement, the Company shall deliver to the Trustee a certificate to that effect stating (i) the amount of such additional interest that is payable, (ii) the reason why such additional interest is payable and (iii) the date on which such additional interest is payable. Unless and until a Responsible Officer of the Trustee receives such a certificate, the Trustee may assume without inquiry that no such additional interest is payable. If the Company has paid additional interest directly to the Persons entitled to it, the Company shall deliver to the Trustee a certificate setting forth the particulars of such payment.

4.10 PAYMENT OF CONTINGENT INTEREST.

If Contingent Interest is payable pursuant to paragraph 1 of the Security, the Company shall furnish to the Trustee an Officer's Certificate to that effect, stating (i) the amount of such Contingent Interest per \$1,000 principal amount of the Securities that is payable, (ii) the facts and calculations supporting the determination of such amount and (iii) the date on which such interest is payable. Unless and until a Responsible Officer of the Trustee receives such Officer's Certificate, the Trustee may conclusively presume without inquiry that no Contingent Interest is payable.

V. SUCCESSORS

5.01 WHEN COMPANY MAY MERGE, ETC.

The Company shall not consolidate with, or merge with or into, or sell, transfer, lease, convey or otherwise dispose of all or substantially all of the property or assets of the Company to, another person (a "successor person"), whether in a single transaction or series of related transactions, unless (i) the successor person is a corporation, limited liability company, partnership or trust organized under the laws of the United States, any State thereof or the District of Columbia; (ii) the successor person assumes by supplemental indenture all the obligations of the Company under the Securities and this Indenture; and (iii) immediately after giving effect to such transaction or series of transactions, no Default or Event of Default shall exist.

The Company shall deliver to the Trustee prior to the consummation of any proposed transaction subject to this Section 5.01 an Officer's Certificate to the foregoing effect and, if requested by the Trustee, an Opinion of Counsel (which may rely upon such Officer's Certificate as to the

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absence of Defaults and Events of Default and as to factual matters) stating that the proposed transaction and such supplemental indenture shall, upon consummation of the proposed transaction, comply with this Section 5.01.

5.02 SUCCESSOR SUBSTITUTED.

Upon any transaction subject to Section 5.01, the successor person shall succeed to, and, except in the case of a lease, be substituted for, and may exercise every right and power of, and shall assume every duty and obligation of, the Company under this Indenture with the same effect as if such successor had been named as the Company herein. When the successor person assumes all obligations of the Company hereunder, except in the case of a lease, all obligations of the predecessor shall terminate.

VI. DEFAULTS AND REMEDIES

6.01 EVENTS OF DEFAULT.

An "Event of Default" occurs if:

(i) the Company fails to pay the principal of, or premium, if any, on, any Security when the same becomes due and payable, whether at maturity, upon Redemption, on an Option Purchase Date with respect to a Purchase at Holder's Option, on a Fundamental Change Repurchase Date with respect to a Repurchase Upon Fundamental Change or otherwise, whether or not such payment is prohibited by Article XI;

(ii) the Company fails to pay an installment of interest, contingent interest or additional interest on any Security when due, if such failure continues for thirty (30) days after the date when due, whether or not such payment is prohibited by Article XI;

(iii) the Company fails to satisfy its conversion obligations upon exercise of a Holder's conversion rights pursuant hereto;

(iv) the Company fails to timely provide a Fundamental Change Notice, or an Option Purchase Notice, as required by the provisions of this Indenture;

(v) the Company fails to comply with any other term, covenant or agreement set forth in the Securities or this Indenture and such failure is not cured within thirty (30) days after notice to the Company by the Trustee or to the Company and the Trustee by Holders of at least twenty five percent (25%) in the aggregate principal amount of the Securities then outstanding, each in accordance with this Indenture;

(vi) the Company or any of its Subsidiaries defaults in the payment when due, after the expiration of any applicable grace period, of principal of, or premium, if any, or interest on, Indebtedness for money borrowed, in the aggregate principal amount then outstanding of twenty-five million dollars (\$25,000,000) or more, or the acceleration of Indebtedness of the Company or any of its Subsidiaries for money borrowed in such aggregate principal amount or more so that it becomes due and payable prior to the date on

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which it would otherwise become due and payable and such default is not cured or waived, or such acceleration is not rescinded, within thirty (30) days after notice to the Company by the Trustee or to the Company and the Trustee by Holders of at least twenty five percent (25%) in the aggregate principal amount of the Securities then outstanding, each in accordance with this Indenture;

(vii) the Company or any of its Subsidiaries fails to pay final and non-appealable judgments, the aggregate uninsured portion of which is at least twenty-five million dollars (\$25,000,000), and such judgments are not paid or discharged within sixty (60) days;

(viii) the Company or any of its Significant Subsidiaries or any group of Subsidiaries that in the aggregate would constitute a Significant Subsidiary of the Company, pursuant to, or within the meaning of, any Bankruptcy Law, insolvency law, or other similar law now or hereafter in effect or otherwise, either:

(A) commences a voluntary case,

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

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

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

(ix) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(A) is for relief against the Company or any of its Significant Subsidiaries or any group of Subsidiaries that in the aggregate would constitute a Significant Subsidiary of the Company in an involuntary case or proceeding, or adjudicates the Company or any of its Significant Subsidiaries or any group of Subsidiaries that in the aggregate would constitute a Significant Subsidiary of the Company insolvent or bankrupt,

(B) appoints a Custodian of the Company or any of its Significant Subsidiaries or any group of Subsidiaries that in the aggregate would constitute a Significant Subsidiary of the Company for all or substantially all of the property of the Company or any such Significant Subsidiary or any group of Subsidiaries that in the aggregate would constitute a Significant Subsidiary of the Company, as the case may be, or

(C) orders the winding up or liquidation of the Company or any of its Significant Subsidiaries or any group of Subsidiaries that in the aggregate would constitute a Significant Subsidiary of the Company,

and, in the case of each of the foregoing clauses (A), (B) and (C) of this Section 6.01(ix), the order or decree remains unstayed and in effect for at least ninety (90) consecutive days.

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The term "Bankruptcy Law" means Title 11, U.S. Code or any similar Federal or State law for the relief of debtors. The term "Custodian" means any receiver, trustee, assignee, liquidator or similar official under any Bankruptcy Law.

The notice specified in clause (v) above must specify the applicable Default, must demand that it be remedied and must state that such notice is a "Notice of Default." If the Holders of at least twenty five percent (25%) in aggregate principal amount of the outstanding Securities request the Trustee to give such notice on their behalf, the Trustee shall do so. When a Default is cured, it ceases.

6.02 ACCELERATION.

If an Event of Default (excluding an Event of Default specified in Section 6.01(viii) or (ix) with respect to the Company (but including an Event of Default specified in Section 6.01(viii) or (ix) solely with respect to a Significant Subsidiary of the Company or any group of Subsidiaries that in the aggregate would constitute a Significant Subsidiary of the Company)) occurs and is continuing, the Trustee by notice to the Company, or the Holders of at least twenty five percent (25%) in aggregate principal amount of the Securities then

outstanding by notice to the Company and the Trustee, may declare the Securities to be immediately due and payable in full. Upon such declaration, the principal of, and any premium and accrued and unpaid interest (including any contingent interest and additional interest) on, all Securities shall be due and payable immediately. If an Event of Default specified in Section 6.01(viii) or (ix) with respect to the Company (excluding, for purposes of this sentence, an Event of Default specified in Section 6.01(viii) or (ix) solely with respect to a Significant Subsidiary of the Company or any group of Subsidiaries that in the aggregate would constitute a Significant Subsidiary of the Company) occurs, the principal of, and premium and accrued and unpaid interest (including any contingent interest and additional interest) on, all the Securities shall ipso facto become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder. The Holders of a majority in aggregate principal amount of the Securities then outstanding by written notice to the Trustee may rescind or annul an acceleration and its consequences if (A) the rescission would not conflict with any order or decree, (B) all existing Events of Default, except the nonpayment of principal, premium or interest that has become due solely because of the acceleration, have been cured or waived and (C) all amounts due to the Trustee under Section 7.07 have been paid.

6.03 OTHER REMEDIES.

Notwithstanding any other provision of this Indenture, if an Event of Default occurs and is continuing, the Trustee may pursue any available remedy by proceeding at law or in equity to collect the payment of amounts due with respect to the Securities or to enforce the performance of any provision of the Securities or this Indenture.

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

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6.04 WAIVER OF PAST DEFAULTS.

Subject to Sections 6.07 and 9.02, the Holders of a majority in aggregate principal amount of the Securities then outstanding may, by notice to the Trustee, waive any past Default or Event of Default and its consequences, other than (A) a Default or Event of Default in the payment of the principal of, or premium, if any, or interest, contingent interest or additional interest on, any Security, or in the payment of the Redemption Price, the Option Purchase Price or the Fundamental Change Repurchase Price (or accrued and unpaid interest, if any, payable as herein provided, upon Redemption, Purchase at Holder's Option or Repurchase Upon Fundamental Change), (B) a Default or Event of Default arising from a failure by the Company to convert any Securities in accordance with this Indenture or (C) any Default or Event of Default in respect of any provision of this Indenture or the Securities which, under Section 9.02, cannot be modified or amended without the consent of the Holder of each outstanding Security affected. When a Default or an Event of Default is waived, it is cured and ceases. This Section 6.04 shall be in lieu of TIA ss. 316(a)(1)(B), and, as permitted by the TIA, TIA ss. 316(a)(1)(B) is hereby expressly excluded from this Indenture.

6.05 CONTROL BY MAJORITY.

The Holders of a majority in aggregate principal amount of the Securities then outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on it. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture, is unduly prejudicial to the rights of other Holders or would involve the Trustee in personal liability or expense unless the Trustee is offered indemnity reasonably satisfactory to it; provided, that the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction. This Section 6.05 shall be in lieu of TIA ss. 316(a)(1)(A), and, as permitted by the TIA, TIA ss. 316(a)(1)(A) is hereby expressly excluded from this Indenture.

6.06 LIMITATION ON SUITS.

Except as provided in Section 6.07, a Securityholder may not institute any

proceeding under this Indenture, or for the appointment of a receiver or a trustee, or for any other remedy under this Indenture unless:

(i) the Holder gives to the Trustee written notice of a continuing Event of Default;

(ii) the Holders of at least twenty five percent (25%) in aggregate principal amount of the Securities then outstanding make a written request to the Trustee to pursue the remedy;

(iii) such Holder or Holders offer and, if requested, provide to the Trustee indemnity reasonably satisfactory to the Trustee against any loss, liability or expense;

(iv) the Trustee does not comply with the request within sixty (60) days after receipt of notice, the request and the offer of indemnity; and

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(v) during such sixty (60) day period, the Holders of a majority in aggregate principal amount of the Securities then outstanding do not give the Trustee a direction inconsistent with the request.

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

6.07 RIGHTS OF HOLDERS TO RECEIVE PAYMENT AND TO CONVERT SECURITIES.

Notwithstanding any other provision of this Indenture, the right of any Holder to receive payment of all amounts due with respect to the Securities, on or after the respective due dates as provided herein, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of the Holder.

Notwithstanding any other provision of this Indenture, the right of any Holder to bring suit for the enforcement of the right to convert the Security in accordance with this Indenture shall not be impaired or affected without the consent of the Holder.

6.08 COLLECTION SUIT BY TRUSTEE.

If an Event of Default specified in Section 6.01(i) or (ii) occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Company for the whole amount due with respect to the Securities, including any unpaid and accrued interest, and for a further amount as shall be sufficient to cover the costs and expenses of obtaining such judgment, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

6.09 TRUSTEE MAY FILE PROOFS OF CLAIM.

The Trustee may 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, any predecessor Trustee and the Securityholders allowed in any judicial proceedings relative to the Company or its creditors or properties.

The Trustee may collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same, and any custodian, receiver, assignee, trustee, liquidator, sequestrator or similar official in any judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07.

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

6.10 PRIORITIES.

Any money collected by the Trustee pursuant to this Article VI, and, after an Event of Default, any money or other property distributable in respect of the Company's obligations under this Indenture, shall be paid in the following order:

- First: to the Trustee (including any predecessor Trustee) for amounts due under Section 7.07;
- Second: to the holders of Senior Indebtedness to the extent required by Article XI;
- Third: to Securityholders for all amounts due and unpaid on the Securities, without preference or priority of any kind, according to the amounts due and payable on the Securities; and
- Fourth: to the Company.

The Trustee, upon prior written notice to the Company, may fix a record date and payment date for any payment by it to Securityholders pursuant to this Section 6.10.

6.11 UNDERTAKING FOR COSTS.

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

VII. TRUSTEE

7.01 DUTIES OF TRUSTEE.

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

(B) Except during the continuance of an Event of Default:

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

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; 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 (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein).

(C) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(i) this Section 7.01(C) shall not be construed to limit the effect of Sections 7.01(B) and 7.01(D);

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

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

(D) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if the Trustee shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(E) Every provision of this Indenture that in any way relates to the Trustee is subject to the provisions of this Section 7.01.

(F) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Company. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

7.02 RIGHTS OF TRUSTEE.

(A) Subject to Section 7.01, the Trustee may conclusively rely, and shall be fully protected in acting or refraining from acting, upon any document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in the document; if, however, the Trustee shall determine to make such further inquiry or investigation, it shall be entitled during normal business hours to examine the relevant books, records and premises of the Company, personally or by agent or attorney upon reasonable prior notice.

(B) Before the Trustee acts or refrains from acting, it may require an Officer's Certificate and/or an Opinion of Counsel. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such Officer's Certificate or Opinion of Counsel.

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(C) Any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order.

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

(E) The Trustee may act through agents or attorneys and shall not be responsible for the misconduct or negligence of any agent or attorney appointed with due care.

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

(G) Except as otherwise provided in Section 7.01(A), the Trustee shall have no duty to inquire as to the performance of the Company with respect to the covenants contained in Article IV. In addition, the Trustee shall not be charged with knowledge or be deemed to have notice of an Event of Default except (i) any Default or Event of Default occurring pursuant to Sections 6.01(i) or (ii), if and so long as the Trustee is acting as Paying Agent, or (ii) any Default or Event of Default of which a Responsible Officer of the Trustee shall have received written notification at the Corporate Trust Office of the Trustee from the Company, any other obligor on the Securities or from any Holder of such Securities, and such notice references the Securities and this Indenture. Delivery of reports, information and documents to the Trustee under Article IV (other than Sections 4.04 and 4.07) is for informational purposes only and the

Trustee's receipt of the foregoing shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely on Officer's Certificates).

(H) The Trustee shall be under no obligation to exercise any of the rights or powers vested by this Indenture at the request or direction of any of the Holders pursuant to this Indenture unless such Holders shall have offered to the Trustee security or indemnity reasonably satisfactory to the Trustee against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

(I) The rights, privileges, protections, immunities and benefits given to the Trustee, including without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and each agent, custodian and other Person employed to act hereunder.

(J) The Trustee may request that the Company deliver an Officer's Certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture, which Officer's Certificate may be signed by any person authorized to sign an Officer's Certificate, including any person specified as so authorized in any such certificate previously delivered and not superseded.

(K) The permissive right of the Trustee to take or refrain from taking any actions enumerated in this Indenture shall not be construed as a duty.

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(L) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its sole discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled upon reasonable request to examine the books, records and premises of the Company, personally or by agent or attorney.

7.03 INDIVIDUAL RIGHTS OF TRUSTEE.

The Trustee in its individual or any other capacity may become the owner or pledgee of Securities and may otherwise deal with the Company or any of its Affiliates with the same rights the Trustee would have if it were not Trustee. Any Security Agent may do the same with like rights. The Trustee, however, must comply with Sections 7.10 and 7.11.

7.04 TRUSTEE'S DISCLAIMER.

The Trustee makes no representation as to and shall have no responsibility for the validity or adequacy of this Indenture or the Securities; it shall not be accountable for the Company's use or application by the Company of the proceeds to the Company from the Securities; and it shall not be responsible for the correctness of any recital contained herein or for any statement in the Securities other than its certificate of authentication.

7.05 NOTICE OF DEFAULTS.

If a Default or Event of Default occurs and is continuing and the Trustee has received notice of such Default or Event of Default pursuant to the provisions of this Indenture, then the Trustee, unless such Default or Event of Default has been cured or waived, shall mail to each Holder a notice of the Default or Event of Default within thirty (30) days after it occurs or, if later, within fifteen (15) Business Days after the date the Trustee receives such notice; provided, however, that, except in the case of a Default or Event of Default in payment of any amounts due with respect to any Security, the Trustee may withhold such notice if, and so long as it in good faith determines that, withholding such notice is in the best interests of Holders.

7.06 REPORTS BY TRUSTEE TO HOLDERS.

Within sixty (60) days after each May 15, beginning with May 15, 2005, the Trustee shall mail to each Securityholder, if required by TIA ss. 313(a), a

brief report dated as of such May 15 that is mailed to Holders in compliance with TIA ss. 313(c). The Trustee also shall comply with TIA ss. 313(b). Any reports required by this Section 7.06 shall be transmitted by mail to Securityholders pursuant to TIA ss. 313(c)

A copy of each report at the time of its mailing to Securityholders shall be mailed by first class mail to the Company and filed by the Trustee with the SEC and each stock exchange, if any, on which the Securities are listed. The Company shall promptly notify the Trustee when the Securities are listed on any stock exchange and of any delisting thereof.

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7.07 COMPENSATION AND INDEMNITY.

The Company shall pay to the Trustee from time to time such compensation for its services as shall be agreed upon in writing. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Company shall reimburse the Trustee upon request for all reasonable out-of-pocket expenses incurred by it. Such expenses shall include the reasonable compensation and out-of-pocket expenses of the Trustee's agents and counsel.

The Company shall indemnify the Trustee against any and all loss, liability, damage, claim or expense (including the reasonable fees and expenses of counsel and taxes other than those based upon the income of the Trustee) incurred by it in connection with the acceptance or administration of this trust and the performance of its duties hereunder, including the reasonable costs and expenses (including the reasonable fees and expenses of counsel) of defending itself against any claim (whether asserted by the Company, any Holder or any other Person) or liability in connection with the exercise or performance of any of its powers and duties hereunder. The Company need not pay for any settlement made without its consent, which consent shall not be unreasonably withheld. The Trustee shall notify the Company promptly of any claim for which it may seek indemnification; provided, however, that any failure so to notify the Company shall not affect such indemnity obligations of the Company. The Company need not reimburse any expense or indemnify against any loss or liability incurred by the Trustee through the Trustee's gross negligence or willful misconduct.

To secure the Company's payment obligations in this Section 7.07, the Trustee shall have a lien prior to the Securities on all money or property held or collected by the Trustee, except that held in trust to pay amounts due on particular Securities.

The payment, reimbursement and indemnity obligations of the Company with respect to the Trustee and the lien provided for in this Section 7.07 shall survive any resignation or removal of the Trustee, the satisfaction and discharge of this Indenture and the termination for any reason of this Indenture.

Without prejudice to its rights hereunder and in addition thereto, when the Trustee incurs expenses or renders services after an Event of Default specified in Section 6.01(viii) or (ix) occurs, the expenses (including the reasonable charges and expenses of its counsel) and the compensation for the services are intended to constitute expenses of administration under any Bankruptcy Law.

For purposes of this Section 7.07, the "Trustee" shall include any predecessor Trustee; provided, however, that the gross negligence, negligence, willful misconduct or bad faith of any Trustee hereunder shall not affect the rights of any other Trustee hereunder.

7.08 REPLACEMENT OF TRUSTEE.

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

The Trustee may resign at any time by so notifying the Company in writing. The Holders of a majority in aggregate principal amount of the Securities then outstanding may remove the Trustee by

so notifying the Trustee and the Company in writing and may appoint a successor Trustee. The Company may remove the Trustee if:

- (i) the Trustee fails to comply with Section 7.10;
- (ii) the Trustee is adjudged a bankrupt or an insolvent;
- (iii) a receiver or other public officer takes charge of the Trustee or its property; or
- (iv) the Trustee becomes incapable of acting.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Company shall promptly appoint a successor Trustee.

If a successor Trustee does not take office within thirty (30) days after the retiring Trustee resigns or is removed, the retiring Trustee (at the Company's expense), the Company or the Holders of at least ten percent (10%) in aggregate principal amount of the outstanding Securities may petition any court of competent jurisdiction for the appointment of a successor Trustee, or the retiring Trustee may appoint a successor Trustee at any time prior to the date on which a successor Trustee takes office.

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

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Thereupon the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Securityholders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, subject to the lien provided for in Section 7.07.

7.09 SUCCESSOR TRUSTEE BY MERGER, ETC.

If the Trustee consolidates with, merges or converts into, or transfers all or substantially all of its corporate trust business to, another Person, the successor Person without any further act shall be the successor Trustee, if such successor Person is otherwise eligible hereunder.

7.10 ELIGIBILITY; DISQUALIFICATION.

There shall at all times be a Trustee hereunder that is a corporation organized and doing business under the laws of the United States of America or of any State or Territory thereof or under the laws of the District of Columbia or a corporation or other Person permitted by the SEC to act as trustee, which Trustee (A) is authorized under such laws to exercise corporate trustee power, (B) is subject to supervision or examination by federal or state authorities and (C) has a combined capital and surplus of at least \$50 million as set forth in its most recent published annual report of condition. The Trustee shall comply with TIA ss. 310(b). Nothing in this Indenture shall prevent the Trustee from filing with the SEC the application referred to in the penultimate paragraph of TIA ss. 310(b).

7.11 PREFERENTIAL COLLECTION OF CLAIMS AGAINST COMPANY.

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

VIII. DISCHARGE OF INDENTURE

8.01 TERMINATION OF THE OBLIGATIONS OF THE COMPANY.

This Indenture shall cease to be of further effect if (a) either (i) all

outstanding Securities (other than Securities replaced pursuant to Section 2.07 hereof) have been delivered to the Trustee for cancellation or (ii) all outstanding Securities have been called for Redemption or have become due and payable at their scheduled maturity or upon Purchase at Holder's Option or Repurchase Upon Fundamental Change, and in any such case the Company irrevocably deposits, prior to the applicable due date, with the Trustee or the Paying Agent (if the Paying Agent is not the Company or any of its Affiliates) cash, and, if applicable as herein provided and in accordance herewith, such other consideration, sufficient to pay all amounts due and owing on all outstanding Securities (other than Securities replaced pursuant to Section 2.07 hereof) on the Maturity Date or an Option Purchase Date, Redemption Date or Fundamental Change Repurchase Date, as the case may be; (b) the Company pays to the Trustee all other sums payable hereunder by the Company; (c) no Default or Event of Default with respect to the Securities shall exist on the date of such deposit; (d) such deposit shall not result in a breach or violation of, or constitute a Default or Event of Default under, this Indenture or any other agreement or instrument to which the Company is a party or by which it is bound; and (e) the Company has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel (which may rely upon such Officer's Certificate as to the absence of Defaults and Events of Default and as to any factual matters), each stating that all conditions precedent provided for herein relating to the satisfaction and discharge of this Indenture have been complied with; provided, however, that Sections 2.02, 2.03, 2.04, 2.05, 2.06, 2.07, 2.08, 2.15, 2.16, 2.17, 3.05, 3.08, 3.09, 4.02, 4.05, 7.07 and 7.08 and Articles VIII, X, XI and XII shall survive any discharge of this Indenture until such time as the Securities have been paid in full and there are no Securities outstanding.

8.02 APPLICATION OF TRUST MONEY.

The Trustee shall hold in trust all money and other consideration deposited with it pursuant to Section 8.01 and shall apply the such deposited money and other consideration through the Paying Agent and in accordance with this Indenture to the payment of amounts due on the Securities. Money and other consideration so held in trust is subject to the Trustee's rights under Section 7.07.

8.03 REPAYMENT TO COMPANY.

The Trustee and the Paying Agent shall promptly pay to the Company upon the request of the Company, any excess money held by them at any time. Subject to applicable abandoned property laws, the Trustee and the Paying Agent shall pay to the Company upon the written request of the Company any money held by them for the payment of the principal of, premium, if any, or any accrued and unpaid interest on, the notes that remains unclaimed for two (2) years; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may, at the expense

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of the Company, cause to be published once in a newspaper of general circulation in the City of New York or cause to be mailed to each Holder, notice stating that such money remains unclaimed and that, after a date specified therein, which shall not be less than thirty (30) days from the date of such publication or mailing, any unclaimed balance of such money then remaining shall be repaid to the Company. After payment to the Company, Securityholders entitled to the money must look to the Company for payment as general creditors, subject to applicable law, and all liability of the Trustee and the Paying Agent with respect to such money and payment shall, subject to applicable law, cease.

8.04 REINSTATEMENT.

If the Trustee or Paying Agent is unable to apply any money or other consideration in accordance with Sections 8.01 and 8.02 by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the obligations of the Company under this Indenture and the Securities shall be revived and reinstated as though no deposit had occurred pursuant to Sections 8.01 and 8.02 until such time as the Trustee or Paying Agent is permitted to apply all such money or other consideration in accordance with Sections 8.01 and 8.02; provided, however, that if the Company has made any payment of amounts due with respect to any Securities because of the reinstatement of its obligations, then the Company shall be subrogated to the rights of the Holders of such Securities to receive such payment from the money held by the Trustee or Paying

Agent.

IX. AMENDMENTS

9.01 WITHOUT CONSENT OF HOLDERS.

The Company and the Trustee may enter into a supplemental indenture to amend or supplement this Indenture or the Securities without notice to or the consent of any Securityholder:

- (i) to comply with Sections 5.01 and 10.11;
- (ii) to make any changes or modifications to this Indenture necessary in connection with the registration of the public offer and sale of the Securities under the Securities Act pursuant to the Registration Rights Agreement or the qualification of this Indenture under the TIA;
- (iii) to secure the obligations of the Company in respect of the Securities;
- (iv) to add to the covenants of the Company described in this Indenture for the benefit of Securityholders or to surrender any right or power conferred upon the Company;
- (v) to make provisions with respect to adjustments to the Conversion Rate as required by this Indenture or to increase the Conversion Rate in accordance with this Indenture; and
- (vi) to cure any ambiguity, defect, omission or inconsistency in this Indenture in a manner that does not materially adversely affect the rights of any Holder;

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9.02 WITH CONSENT OF HOLDERS.

The Company and the Trustee may amend or supplement this Indenture or the Securities without notice to any Securityholder but with the written consent of the Holders of at least a majority in aggregate principal amount of the outstanding Securities. Subject to Sections 6.04 and 6.07, the Holders of a majority in aggregate principal amount of the outstanding Securities may, by notice to the Trustee, waive compliance by the Company with any provision of this Indenture or the Securities without notice to any other Securityholder. Notwithstanding anything herein to the contrary, without the consent of each Holder of each outstanding Security affected, an amendment, supplement or waiver, including a waiver pursuant to Section 6.04, may not:

- (a) change the stated maturity date of the principal of, or the payment date of any installment of interest, Contingent Interest or additional interest or any premium on, any Security;
- (b) reduce the principal amount of, or any premium, interest, contingent interest or additional interest on, any Security;
- (c) change the place or currency of payment of principal of, or any premium, interest, contingent interest or additional interest on, any Security;
- (d) impair the right to institute suit for the enforcement of any payment on, or with respect to, any Security;
- (e) modify, in a manner adverse to Holders, the right of Holders pursuant to Article III to require the Company to purchase Securities on an Option Purchase Date or to repurchase Securities upon the occurrence of a Fundamental Change;
- (f) modify the provisions of Article XI in a manner adverse to Holders;
- (g) adversely affect the right of Holders to convert Securities in accordance with Article X;
- (h) reduce the percentage of the aggregate principal amount of the

outstanding Securities whose Holders must consent to a modification to or amendment of any provision of this Indenture or the Securities;

(i) reduce the percentage of the aggregate principal amount of the outstanding Securities whose Holders must consent to a waiver of compliance with any provision of this Indenture or the Securities or a waiver of any Default or Event of Default; or

(j) modify the provisions of this Indenture with respect to modification and waiver (including waiver of a Default or an Event of Default), except to increase the percentage required for modification or waiver or to provide for consent of each affected Holder.

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Promptly after an amendment, supplement or waiver under Section 9.01 or this Section 9.02 becomes effective, the Company shall mail, or cause to be mailed, to Securityholders a notice briefly describing such amendment, supplement or waiver. Any failure of the Company to mail such notice shall not in any way impair or affect the validity of such amendment, supplement or waiver.

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

9.03 COMPLIANCE WITH TRUST INDENTURE ACT.

Every amendment, waiver or supplement to this Indenture or the Securities shall comply with the TIA as then in effect.

9.04 REVOCATION AND EFFECT OF CONSENTS.

Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder is a continuing consent by the Holder and every subsequent Holder of a Security or portion of a Security that evidences the same debt as the consenting Holder's Security, even if notation of the consent is not made on any Security. However, any such Holder or subsequent Holder may revoke the consent as to its Security or portion of a Security if the Trustee receives the notice of revocation before the date the amendment, supplement or waiver becomes effective. An amendment, supplement or waiver becomes effective in accordance with its terms and thereafter binds every Holder.

After an amendment, supplement or waiver becomes effective with respect to the Securities, it shall bind every Holder unless such amendment, supplement or waiver makes a change that requires, pursuant to Section 9.02, the consent of each Holder affected. In that case, the amendment, supplement or waiver shall bind each Holder of a Security who has consented to it and, provided that notice of such amendment, supplement or waiver is reflected on a Security that evidences the same debt as the consenting Holder's Security, every subsequent Holder of a Security or portion of a Security that evidences the same debt as the consenting Holder's Security.

9.05 NOTATION ON OR EXCHANGE OF SECURITIES.

If an amendment, supplement or waiver changes the terms of a Security, the Trustee may require the Holder of the Security to deliver it to the Trustee. The Trustee may place an appropriate notation on the Security as directed and prepared by the Company about the changed terms and return it to the Holder. Alternatively, if the Company so determines, the Company in exchange for the Security shall issue and the Trustee shall authenticate a new Security that reflects the changed terms.

9.06 TRUSTEE PROTECTED.

The Trustee shall sign any amendment, supplemental indenture or waiver authorized pursuant to this Article IX; provided, however, that the Trustee need not sign any amendment, supplemental indenture or waiver that adversely affects the Trustee's rights, duties, liabilities or immunities. The Trustee shall be entitled to receive and conclusively rely upon an Opinion of Counsel (which may rely upon such Officer's Certificate as to the absence of Defaults and Events of Default and as to factual matters) and an Officer's Certificate that any

supplemental indenture, amendment or waiver, and the

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Trustee's execution of any supplemental indenture or amendment, are permitted or authorized pursuant to this Indenture.

X. CONVERSION

10.01 CONVERSION PRIVILEGE; RESTRICTIVE LEGENDS.

(A) Subject to the provisions of Sections 3.04, 3.07, 3.08 and 3.09, the Securities shall be convertible into cash and, if applicable, shares of Common Stock in accordance with this Article X and as set forth below if any of the following conditions are satisfied:

(i) Conversion Based on Closing Sale Price of Common Stock. The Securities may be surrendered for conversion into cash and, if applicable, shares of Common Stock on any Business Day of a calendar quarter after the calendar quarter ending December 31, 2004, if the Closing Sale Price for each of twenty (20) or more consecutive Trading Days in a period of thirty (30) consecutive Trading Days ending on the last Trading Day of the immediately preceding calendar quarter exceeds one hundred and thirty percent (130%) of the Conversion Price in effect on the last Trading Day of the immediately preceding calendar quarter. Solely for purposes of determining whether the Securities shall have become convertible pursuant to this Section 10.01(A)(i), the Board of Directors shall, in its good faith determination make appropriate adjustments to the Closing Sale Prices and/or such Conversion Price used to determine whether the Securities shall have become convertible pursuant to this Section 10.01(A)(i) to account for any adjustments to the Conversion Rate which shall have become effective, or any event requiring an adjustment to the Conversion Rate where the Ex Date (as defined in Section 10.05(g)) of such event occurs, during the period of thirty (30) consecutive Trading Days ending on the last Trading Day of the immediately preceding calendar quarter.

(ii) Conversion Upon Satisfaction of Trading Price Condition. The Securities may be surrendered for conversion into cash and, if applicable, shares of Common Stock during the five (5) Business Day period after any ten (10) consecutive Trading Day period (the "Note Measurement Period") in which the average Trading Price per \$1,000 principal amount of the Securities over the Note Measurement Period was equal to or less than ninety seven percent (97%) of the average Conversion Value (as defined below) during the Note Measurement Period (such condition, the "Trading Price Condition"). The Bid Solicitation Agent shall not have any obligation to determine the Trading Price unless the Company has requested such determination, and the Company shall have no obligation to make such request unless a Holder provides the Company with reasonable evidence that the Trading Price per \$1,000 principal amount of the Securities would be equal to or less than ninety seven percent (97%) of the product of the Closing Sale Price and the Conversion Rate. Upon receipt of such evidence, the Company shall instruct the Bid Solicitation Agent to determine the Trading Price per \$1,000 principal amount of the Securities for each of the ten (10) successive Trading Days immediately after the Company receives such evidence and on each Trading Day thereafter until the first Trading Day on which the Trading Price Condition is no longer satisfied. For purposes of this paragraph, the "Conversion Value" per \$1,000 principal amount of Securities, on a given Trading Day, means the product of the

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Closing Sale Price on such Trading Day and the Conversion Rate in effect on such Trading Day.

(iii) Conversion Based on Redemption. A Security, or portion of a Security, which has been called for Redemption pursuant to paragraph 6 of the Securities may be surrendered for conversion into cash and, if applicable, shares of Common Stock; provided, however, that such Security or portion thereof may be surrendered for conversion pursuant to this

paragraph only until the close of business on the Business Day immediately preceding the Redemption Date.

(iv) Conversion Upon Certain Distributions. If the Company takes any action, or becomes aware of any event, that would require an adjustment to the Conversion Rate pursuant to Sections 10.05(b), 10.05(c), 10.05(d) or 10.05(e), the Securities may be surrendered for conversion into cash and, if applicable, shares of Common Stock beginning on the date the Company mails the notice to the Holders as provided in Section 10.10 (or, if earlier, the date the Company is required to mail such notice) and at any time thereafter until the earlier of the close of business on the Business Day immediately preceding the Ex Date of the applicable transaction and the date the Company announces that such transaction will not take place.

(v) Conversion Upon Occurrence of Certain Corporate Transactions. If either (i) the Company is a party to a consolidation, merger or binding share exchange pursuant to which over 50% of the Company's Common Stock would be converted into cash, securities or other property or (ii) a Fundamental Change shall have occurred, then, in each case, the Securities may be surrendered for conversion into cash and, if applicable, shares of Common Stock at any time during the period that begins on, and includes, the date that is fifteen (15) Business Days prior to the date originally announced by the Company as the anticipated effective date of such Fundamental Change, transaction or event (which anticipated effective date the Company shall disclose, in good faith, in the written notice and public announcement referred to in Section 10.01(C)) and ends on, and includes, the date that is fifteen (15) Business Days after the actual effective date of such Fundamental Change, transaction or event.

(B) The initial Conversion Rate shall be 26.1849 shares of Common Stock per \$1,000 principal amount of Securities. The Conversion Rate shall be subject to adjustment in accordance with Sections 10.05 through 10.11.

(C) Whenever any event described in Section 10.01 shall occur which shall cause the Securities to become convertible as provided in this Article X, the Company shall promptly deliver, in accordance with Section 13.02, written notice of the convertibility of the Securities to the Trustee and each Holder and shall, as soon practicable publicly announce that the Securities have become convertible. Such written notice and public announcement shall include:

(i) a description of such event;

(ii) a description of the periods during which the Securities shall be convertible as provided in this Article X as a result of such event;

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(iii) whether a Make-Whole Premium shall be payable upon conversion of the Securities in connection with such event and, if so, the form and amount of consideration in which such Make-Whole Premium shall be paid; and

(iv) the procedures Holders must follow to convert their notes in accordance with this Article X, including the name and address of the Conversion Agent.

(D) Subject to the restrictions set forth in Section 2.02, a Holder may convert a portion of the principal amount of such Security if the portion is \$1,000 principal amount or an integral multiple of \$1,000 principal amount. Provisions of this Indenture that apply to conversion of all of a Security also apply to conversion of a portion of it.

(E) Any shares of Common Stock that are issued upon conversion of a Security shall bear the Private Placement Legend until the earlier of the second anniversary of the later of the Issue Date and the last date on which the Company or any Affiliate was the owner of such shares or the Security (or any predecessor security) from which such shares were converted (or such shorter period of time as permitted by Rule 144(k) under the Securities Act or any successor provision thereunder) (or such longer period of time as may be required under the Securities Act or applicable state securities laws, as set forth in an Opinion of Counsel, unless otherwise agreed by the Company and the Holder thereof).

10.02 CONVERSION PROCEDURE AND PAYMENT UPON CONVERSION.

(A) To convert a Security, a Holder must satisfy the requirements of paragraph 10 of the Securities. Upon conversion of a Holder's Security, the Company shall deliver, through the Conversion Agent, the following to such Holder:

(i) an amount (the "Principal Return") in cash equal to the lesser of (1) the aggregate Net Share Settlement Conversion Value of such Security and (2) the aggregate principal amount of such Security;

(ii) if the aggregate Net Share Settlement Conversion Value of such Security is greater than the Principal Return of such Security (the excess, if any, of such Net Share Settlement Conversion Value over such Principal Return being herein referred to as the "Net Share Amount"), a certificate for a number of shares of Common Stock (the "Net Shares") equal to a fraction whose numerator is the Net Share Amount for such Security and whose denominator is Ten-Day Weighted Average Price Per Share; provided, however, that the Company shall not issue fractional shares of Common Stock and shall instead deliver cash (in addition to any consideration otherwise payable upon such conversion) in an amount equal to the value of such fraction computed on the basis of such Ten-Day Weighted Average Price Per Share; and

(iii) if a Make-Whole Fundamental Change occurs and such Security is surrendered for conversion at any time during the period that begins on, and includes, the date that is fifteen (15) Business Days prior to the date originally announced by the Company as the anticipated effective date of such Make-Whole Fundamental Change (which anticipated effective date the Company shall disclose, in good faith, in the written notice and public announcement referred to in Section 10.01(C)) and ends on, and includes, the date that is fifteen (15) Business Days after the actual effective date of such Make-Whole

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Fundamental Change, in addition to the Principal Return and any Net Share Amount receivable upon conversion, a Make-Whole Premium, as determined in accordance with, and in the manner and form as set forth in, Section 3.09(J).

The Company shall deliver such Principal Return and, if applicable, such Net Shares as soon as practicable following the date (the "Conversion Date") on which such Holder satisfies all the requirements for such conversion specified in paragraph 10 of the Securities, but in no event more than five (5) Business Days after the applicable Conversion Value Determination Date. The Company shall deliver any such Make-Whole Premium within the time period specified in Section 3.09(J) (v).

(B) The "Net Share Settlement Conversion Value" per \$1,000 aggregate principal amount of a Security to be converted pursuant to this Article X, shall mean the product of:

(i) the Conversion Rate in effect at the time such Security is tendered for conversion; and

(ii) the average of the daily Volume-Weighted Average Price (as defined below) per share of Common Stock for each of the ten (10) consecutive Trading Days beginning on the second Trading Day immediately following the day such Security is so tendered for conversion (the "Ten-Day Weighted Average Price Per Share," and, the last Trading Day of such ten (10) consecutive Trading Days, the "Conversion Value Determination Date");

provided, however, that the Board of Directors shall, in its good faith determination, make appropriate adjustments to the Net Share Settlement Conversion Value to account for any adjustment, pursuant hereto, to the Conversion Rate that shall become effective, or any event requiring, pursuant hereto, an adjustment to the Conversion Rate where the Ex Date of such event occurs, at any time from, and including, the date such Security is so tendered for conversion to, and including, the date that the consideration payable upon conversion pursuant hereto is delivered in accordance herewith. The Company shall, no later than the applicable Conversion Value Determination Date,

calculate the Net Share Settlement Conversion Value of a Security to be converted.

The "Volume-Weighted Average Price" per share of Common Stock on any Trading Day shall mean the volume-weighted average price per share of Common Stock on the Nasdaq National Market or, if the Common Stock shall not be listed on the Nasdaq National Market, on the principal exchange or over-the-counter market on which the Common Stock shall then be listed or traded in all cases, from 9:30 a.m. to 4:30 p.m., New York City time, on such Trading Day as displayed by Bloomberg or such other comparable service that has replaced Bloomberg; provided, however, that if such volume-weighted average price shall not be available, then the Board of Directors shall in good faith determine the amount to be used as the Volume-Weighted Average Price for purposes hereof.

(C) The amount of cash paid upon conversion of the Securities shall not exceed the aggregate principal amount of the Securities issued. A Holder that converts Securities in connection with a Make-Whole Fundamental Change shall receive, in addition to the cash and any shares received upon conversion in accordance herewith, the Make-Whole Premium in accordance with Section 3.09(J). In addition, the Company shall not issue fractional shares of Common Stock upon conversion

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of Securities and instead shall pay the cash adjustment for fractional shares described in this Section 10.02.

(D) On and after the Conversion Date of a Security, the person in whose name any certificate representing Net Shares, if any, is to be registered shall be treated as a stockholder of record of the Company, and all rights of the Holder of such Security shall terminate, other than the right to receive the consideration deliverable upon conversion of such Security as provided herein. A Holder of Securities is not entitled, as such, to any rights of a holder of Common Stock until such Holder has converted its Securities into Shares of Common Stock (to the extent such Securities are convertible into Shares of Common Stock) or is deemed to be a stockholder of record of the Company, as provided in this Section 10.02(D).

(E) Except as provided in the Securities or in this Article X, no payment or adjustment shall be made for accrued interest on, or contingent interest or additional interest with respect to, a converted Security or for dividends on any Common Stock issued on or prior to conversion. If any Holder surrenders a Security for conversion after the close of business on the record date for the payment of an installment of interest and prior to the related interest payment date, then, notwithstanding such conversion, the interest payable with respect to such Security on such interest payment date shall be paid on such interest payment date to the Holder of record of such Security at the close of business on such record date; provided, however, that such Security, when surrendered for conversion, must be accompanied by payment to the Conversion Agent on behalf of the Company of an amount equal to the interest payable on such interest payment date on the portion so converted; provided further, however, that such payment to the Conversion Agent described in the immediately preceding proviso in respect of a Security surrendered for conversion shall not be required if such Security is called for Redemption pursuant to Section 3.04 and paragraphs 6 and 7 of the Securities; provided further, that, if the Company shall have, prior to the Conversion Date with respect to a Security, defaulted in a payment of interest on such Security, then in no event shall the Holder of such Security who surrenders such Security for conversion be required to pay such defaulted interest or the interest that shall have accrued on such defaulted interest pursuant to Section 2.12 (it being understood that nothing in this Section 10.02(E) shall affect the Company's obligations under Section 2.12).

(F) If a Holder converts more than one Security at the same time, the number of full shares of Common Stock issuable upon such conversion, if any, shall be based on the total principal amount of all Securities converted.

(G) Upon surrender of a Security that is converted in part, the Trustee shall authenticate for the Holder a new Security equal in principal amount to the unconverted portion of the Security surrendered.

(H) If the last day on which a Security may be converted is a Legal Holiday in a place where a Conversion Agent is located, the Security may be surrendered to that Conversion Agent on the next succeeding day that is not a

Legal Holiday.

(I) Once given, a Conversion Notice may not be rescinded.

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10.03 TAXES ON CONVERSION.

If a Holder converts its Security, the Company shall pay any documentary, stamp or similar issue or transfer tax or duty due on the issue, if any, of shares of Common Stock upon the conversion. However, such Holder shall pay any such tax or duty which is due because such shares are issued in a name other than such Holder's name. The Conversion Agent may refuse to deliver a certificate representing the shares of Common Stock to be issued in a name other than such Holder's name until the Conversion Agent receives a sum sufficient to pay any tax or duty which shall be due because such shares are to be issued in a name other than such Holder's name. Nothing herein shall preclude any tax withholding required by law or regulation.

10.04 COMPANY TO PROVIDE STOCK.

The Company shall at all times reserve out of its authorized but unissued Common Stock or Common Stock held in its treasury enough shares of Common Stock to permit the conversion, in accordance herewith, of all of the Securities.

All shares of Common Stock which may be issued upon conversion of the Securities shall be validly issued, fully paid and non-assessable and shall be free of preemptive or similar rights and free of any lien or adverse claim.

10.05 ADJUSTMENT OF CONVERSION RATE.

The Conversion Rate shall be subject to adjustment from time to time as follows:

(a) In case the Company shall (1) pay a dividend in shares of Common Stock to all holders of Common Stock, (2) make a distribution in shares of Common Stock to all holders of Common Stock, (3) subdivide the outstanding shares of Common Stock into a greater number of shares of Common Stock or (4) combine the outstanding shares of Common Stock into a smaller number of shares of Common Stock, the Conversion Rate shall be adjusted by multiplying the Conversion Rate in effect immediately prior to close of business on the record date or effective date, as applicable, of such dividend, distribution, subdivision or combination by the number of shares of Common Stock which a person who owns only one share of Common Stock immediately before the record date or effective date, as applicable, of such dividend, distribution, subdivision or combination and who is entitled to participate in such dividend, distribution, subdivision or combination would own immediately after giving effect to such dividend, distribution, subdivision or combination (without giving effect to any arrangement pursuant to such dividend, distribution, subdivision or combination not to issue fractional shares of Common Stock). Subject to Section 10.06, Any adjustment made pursuant to this Section 10.05(a) shall become effective immediately after the record date in the case of a dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision or combination.

(b) In case the Company shall issue rights or warrants to all or substantially all holders of Common Stock, entitling them, for a period expiring not more than sixty (60) days immediately following the record date for the determination of holders of Common Stock entitled to receive such rights or warrants, to subscribe for or purchase

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shares of Common Stock (or securities convertible into or exchangeable or exercisable for Common Stock), at a price per share (or having a conversion, exchange or exercise price per share) that is less than the current market price (as determined pursuant to

Section 10.05(g) of Common Stock on the record date for the determination of holders of Common Stock entitled to receive such rights or warrants, the Conversion Rate shall be increased by multiplying the Conversion Rate in effect immediately prior to such record date by a fraction of which (A) the numerator shall be the sum of (I) the number of shares of Common Stock outstanding at the close of business on such record date and (II) the aggregate number of shares (the "Underlying Shares") of Common Stock underlying all such issued rights or warrants (whether by exercise, conversion, exchange or otherwise), and (B) the denominator shall be the sum of (I) number of shares of Common Stock outstanding at the close of business on such record date and (II) the number of shares of Common Stock which the aggregate exercise, conversion, exchange or other price at which the Underlying Shares may be subscribed for or purchased pursuant to such rights or warrants would purchase at such current market price. Such increase shall become effective immediately prior to the opening of business on the day following such record date. In no event shall the Conversion Rate be decreased pursuant to this Section 10.05(b).

(c) In case the Company shall dividend or distribute to all or substantially all holders of Common Stock shares of Capital Stock of the Company (other than Common Stock), evidences of Indebtedness or other assets (other than dividends or distributions requiring an adjustment to the Conversion Rate in accordance with Sections 10.05(d), or 10.05(e)), or shall dividend or distribute to all or substantially all holders of Common Stock rights or warrants to subscribe for or purchase securities (other than dividends or distributions of rights or warrants requiring an adjustment to the Conversion Rate in accordance with Section 10.05(b)), then in each such case the Conversion Rate shall be increased by multiplying the Conversion Rate in effect immediately prior to the close of business on the record date for the determination of stockholders entitled to such dividend or distribution by a fraction of which (A) the numerator shall be the current market price of Common Stock (as determined pursuant to Section 10.05(g)) on such record date and (B) the denominator shall be an amount equal to (I) such current market price less (II) the fair market value (as determined in good faith by the Board of Directors), on such record date, of the portion of the shares of Capital Stock, evidences of Indebtedness, assets, rights and warrants to be dividended or distributed applicable to one share of Common Stock, such increase to become effective immediately prior to the opening of business on the day following such record date; provided, however, that if such denominator is equal to or less than zero, then, in lieu of the foregoing adjustment to the Conversion Rate, adequate provision shall be made so that each Holder shall have the right to receive upon conversion of its Securities, in addition to any consideration otherwise payable as herein provided upon such conversion, an amount, per \$1,000 principal amount of such Securities, of shares of Capital Stock, evidences of Indebtedness, assets, rights and/or warrants that a person that owns, on such record date, a number of shares of Common Stock equal to the Conversion Rate in effect at the close of business on such record date would have received as a result of such dividend or distribution. Notwithstanding the foregoing, in the event that the Company shall distribute rights or warrants (other than distributions of rights or warrants requiring an adjustment to the Conversion Rate in

accordance with Section 10.05(b)) (collectively, "Rights") pro rata to holders of Common Stock, the Company may, in lieu of making any adjustment pursuant to this Section 10.05(c), make proper provision so that each Holder of a Security who converts such Security (or any portion thereof) on or after the record date for such distribution and prior to the expiration or redemption of the Rights shall be entitled to receive upon such conversion, in addition to any consideration otherwise payable as herein provided upon such conversion, a number of Rights, per \$1,000 principal amount of such Security, to be determined as follows: (i) if such conversion occurs on or prior to the date for the distribution to the holders of Rights of separate certificates evidencing such Rights (the

"Distribution Date"), the same number of Rights to which a holder of a number of shares of Common Stock equal to the Conversion Rate in effect at the close of business on such record date (or, in the event such distribution is pursuant to a stockholders' rights plan, equal to the number of Net Shares that would be issuable in accordance herewith if such Security were surrendered for conversion immediately before the close of business on such record date) would be entitled at the time of such conversion in accordance with the terms and provisions of and applicable to the Rights; and (ii) if such conversion occurs after the Distribution Date, the same number of Rights to which a holder of a number of shares of Common Stock equal to the Conversion Rate in effect immediately prior to the Distribution Date (or, in the event such distribution is pursuant to a stockholders' rights plan, equal to the number of Net Shares that would be issuable in accordance herewith if such Security were surrendered for conversion immediately before the close of business on the Business Day immediately preceding the Distribution Date) would have been entitled on the Distribution Date in accordance with the terms and provisions of and applicable to the Rights. Any distribution of rights or warrants pursuant to a stockholders' rights plan complying with the requirements set forth in the preceding sentence of this paragraph and with Section 10.13 shall not constitute a distribution of rights or warrants pursuant to this Section 10.05(c). In no event shall the Conversion Rate be decreased pursuant to this Section 10.05(c).

(d) In case the Company shall, by dividend or otherwise, at any time make a distribution of cash (excluding any cash that is distributed as part of a distribution requiring a Conversion Rate adjustment pursuant to Section 10.05(e)) to all or substantially all holders of Common Stock, the Conversion Rate shall be increased by multiplying the Conversion Rate in effect immediately prior to the close of business on the record date for the determination of holders of Common Stock entitled to such distribution by a fraction (A) whose numerator shall be the current market price per share of Common Stock (as determined pursuant to Section 10.05(g)) on such record date and (B) whose denominator shall be an amount equal to (I) such current market price per share of Common Stock less (II) the amount of the distribution per share of Common Stock; provided, however, that the Conversion Rate shall not be adjusted pursuant to this Section 10.05(d) to the extent, and only to the extent, such adjustment would cause the Conversion Price to be less than one cent (\$0.01); provided further that, if the denominator of such fraction shall be equal to or less than zero, the Conversion Rate shall be instead adjusted so that the Conversion Price is equal to one cent (\$0.01). An adjustment to the Conversion Rate pursuant to this Section 10.05(d) shall become effective immediately prior to the opening of business on the day

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immediately following such record date. In no event shall the Conversion Rate be decreased pursuant to this Section 10.05(d).

(e) In case the Company or any Subsidiary shall distribute cash or other consideration in respect of a tender offer or exchange offer made by the Company or any Subsidiary for all or any portion of the Common Stock where the sum of the aggregate amount of such cash distributed and the aggregate fair market value (as determined in good faith by the Board of Directors), as of the Expiration Date (as defined below), of such other consideration distributed (such sum, the "Aggregate Amount") expressed as an amount per share of Common Stock validly tendered or exchanged, and not withdrawn, pursuant to such tender offer or exchange offer as of the Expiration Time (as defined below) (such tendered or exchanged shares of Common Stock, the "Purchased Shares") exceeds the current market price per share of Common Stock (as determined pursuant to Section 10.05(g)) on the last date (such last date, the "Expiration Date") on which tenders or exchanges could have been made pursuant to such tender offer or exchange offer (as the same may be amended through the Expiration Date), then the Conversion Rate shall be increased by multiplying the Conversion Rate in effect immediately prior to the close of business on the Expiration Date by a fraction (A) whose

numerator is equal to the sum of (I) the Aggregate Amount and (II) the product of (a) the current market price per share of Common Stock (as determined pursuant to Section 10.05(g)) on the Expiration Date and (b) an amount equal to (i) the number of shares of Common Stock outstanding as of the last time (the "Expiration Time") at which tenders or exchanges could have been made pursuant to such tender offer or exchange offer (including all Purchased Shares) less (ii) the Purchased Shares and (B) whose denominator is equal to the product of (I) the number of shares of Common Stock outstanding as of the Expiration Time (including all Purchased Shares) and (II) the current market price per share of Common Stock on the Expiration Date.

An increase, if any, to the Conversion Rate pursuant to this Section 10.05(e) shall become effective immediately prior to the opening of business on the Business Day following the Expiration Date. In the event that the Company or a Subsidiary is obligated to purchase shares of Common Stock pursuant to any such tender offer or exchange offer, but the Company or such Subsidiary is permanently prevented by applicable law from effecting any such purchases, or all such purchases are rescinded, then the Conversion Rate shall again be adjusted to be the Conversion Rate which would then be in effect if such tender offer or exchange offer had not been made. If the application of this Section 10.05(e) to any tender offer or exchange offer would result in a decrease in the Conversion Rate, no adjustment shall be made for such tender offer or exchange offer under this Section 10.05(e).

(f) In addition to the foregoing adjustments in subsections (a), (b), (c), (d), and (e) above, the Company, from time to time and to the extent permitted by law and by the rules of the Nasdaq National Market (or, if the Common Stock is not then quoted on the Nasdaq National Market, the rules of any national or regional securities exchange or automated quotation system on which the Common Stock is then listed or quoted), may increase the Conversion Rate by any amount for a period of at least twenty (20)

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days or such longer period as may be required by law, if the Board of Directors has made a determination, which determination shall be conclusive, that such increase would be in the best interests of the Company. Such Conversion Rate increase shall be irrevocable during such period. The Company shall give notice to the Trustee and cause notice of such increase to be mailed to each Holder of Securities at such Holder's address as the same appears on the registry books of the Registrar, at least fifteen (15) days prior to the date on which such increase commences.

(g) For the purpose of any computation under subsections (a), (b), (c) or (d) above of this Section 10.05, the current market price per share of Common Stock on the date fixed for determination of the stockholders entitled to receive the issuance or distribution requiring such computation (the "Determination Date") shall be deemed to be the average of the Closing Sale Prices for the ten (10) consecutive Trading Days immediately preceding the Determination Date, and, for the purpose of any computation under Sections 10.05(e), the current market price per share of Common Stock on the Expiration Date for the tender offer or exchange offer requiring such computation shall be deemed to be the average of the Closing Sale Price for the ten (10) consecutive Trading Days immediately preceding the Expiration Date; provided, however, that (i) if the Ex Date for any event (other than the event requiring such computation) that requires an adjustment to the Conversion Rate pursuant to subsection (a), (b), (c), (d) or (e) above occurs on or after the tenth (10th) Trading Day prior to the Determination Date or Expiration Date, whichever is applicable, and prior to the Ex Date for the issuance or distribution requiring such computation, the Closing Sale Price for each Trading Day prior to the Ex Date for such other event shall be adjusted by multiplying such Closing Sale Price by the reciprocal of the fraction by which the Conversion Rate is so required to be adjusted as a result of such other event, (ii) if the Ex Date for any event (other than the event requiring such

computation) that requires an adjustment to the Conversion Rate pursuant to subsection (a), (b), (c), (d), or (e) above occurs on or after the Ex Date for the issuance or distribution requiring such computation and on or prior to the Determination Date or the Expiration Date, whichever is applicable, the Closing Sale Price for each Trading Day on and after the Ex Date for such other event shall be adjusted by multiplying such Closing Sale Price by the same fraction by which the Conversion Rate is so required to be adjusted as a result of such other event, and (iii) if the Ex Date for the event requiring such computation is on or prior to the Determination Date or Expiration Date, whichever is applicable, after taking into account any adjustment required pursuant to clause (i) or (ii) of this proviso, the Closing Sale Price for each Trading Day on and after such Ex Date shall be adjusted by adding thereto the amount of any cash and the fair market value (as determined in good faith by the Board of Directors in a manner consistent with any determination of such value for the purposes of this Section 10.05, whose determination shall be conclusive and set forth in a Resolution of the Board of Directors) of the evidences of Indebtedness, shares of Capital Stock or other securities or assets or cash being distributed (in the event requiring such computation) applicable to one share of Common Stock as of the close of business on the day before such Ex Date.

The term "Ex Date," (i) when used with respect to any issuance or distribution, means the first date on which the Common Stock trades the regular way on

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the relevant exchange or in the relevant market from which the Closing Sale Price was obtained without the right to receive such issuance or distribution, (ii) when used with respect to any subdivision or combination of shares of Common Stock, means the first date on which the Common Stock trades the regular way on such exchange or in such market after the time at which such subdivision or combination becomes effective, and (iii) when used with respect to any tender offer or exchange offer means the first date on which the Common Stock trades the regular way on such exchange or in such market after the expiration time of such tender offer or exchange offer (as it may be amended or extended).

(h) Notwithstanding anything herein to the contrary, the Company may not increase the Conversion Rate above 37.3134 shares per \$1,000 principal amount of Securities (the "Maximum Conversion Rate") pursuant to the events described in subsection (b), (c), (d), (e) or (f) of this Section 10.05. The Company shall adjust this Maximum Conversion Rate in the same manner as the Company adjusts the Conversion Rate for stock splits and combinations, stock dividends, reclassifications and similar events pursuant to subsection (a) of this Section 10.05.

(i) In order to comply with the continued listing requirements of the Nasdaq National Market, the Company may not issue more than a total of five million seven hundred fifty two thousand four hundred eight (5,752,408) shares of Common Stock (the "Nasdaq Share Limitation") in respect of the Securities (subject to adjustment for stock splits, stock dividends and similar events pursuant to subsection (a) of this Section 10.05), whether pursuant to the issuance of Net Shares, adjustments to the Conversion Rate or as payment for any Make-Whole Premium. If adjustments made to the Conversion Rate pursuant to the terms of this Indenture, and/or payments in respect of the Make-Whole Premium, would cause the Company to potentially exceed the Nasdaq Share Limitation, the Company shall reduce the number of shares to be received by Holders of the Securities upon conversion by that amount which is determined by the Company in good faith to be necessary so that the Nasdaq Share Limitation will not be exceeded; provided, however, that that Make-Whole Premium shall be reduced by no more than that amount necessary to cause the Nasdaq Share Limitation not to be exceeded. In the event that the number of shares Holders are entitled to receive is reduced, Holders shall not receive any substitute or additional consideration as a result.

10.06 NO ADJUSTMENT.

No adjustment in the Conversion Rate shall be required until cumulative adjustments amount to one percent (1%) or more of the Conversion Rate as last adjusted (or, if never adjusted, the initial Conversion Rate); provided, however, that any adjustments to the Conversion Rate which by reason of this Section 10.06 are not required to be made shall be carried forward and taken into account in any subsequent adjustment to the Conversion Rate; provided further, that at the end of each fiscal year of the Company, beginning with the fiscal year ending on December 31, 2005, any adjustments to the Conversion Rate that have been, and at such time remain, deferred pursuant to this Section 10.06 shall be given effect, and such adjustments, if any shall no longer be carried forward and taken into account in any subsequent adjustment to the Conversion Rate. All calculations under this Article X shall be made to the nearest cent or to the nearest one-millionth of a share, as the case may be.

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No adjustment to the Conversion Rate need be made for a transaction referred to in this Article X if Holders are to participate in the transaction without conversion on a basis and with notice that the Board of Directors determines in good faith to be fair and appropriate in light of the basis and notice on which holders of Common Stock participate in the transaction.

10.07 OTHER ADJUSTMENTS.

If any rights, options or warrants issued by the Company and requiring an adjustment to the Conversion Rate in accordance with Section 10.05 are only exercisable upon the occurrence of certain triggering events, then the Conversion Rate shall not be adjusted as provided in Section 10.05 until the earliest of such triggering event occurs. If any rights, options or warrants issued by the Company and requiring an adjustment to the Conversion Rate in accordance with Section 10.05 shall expire or terminate without the exercise of such rights, options or warrants, the Conversion Rate then in effect shall be adjusted immediately to the Conversion Rate which would have been in effect at the time of such expiration or termination had such rights, options or warrants, to the extent outstanding immediately prior to such expiration or termination, never been issued.

If any dividend or distribution is declared and the Conversion Rate is adjusted pursuant to Section 10.05 on account of such dividend or distribution, but such dividend or distribution is thereafter not paid or made, the Conversion Rate shall again be adjusted to the Conversion Rate which would then be in effect had such dividend or distribution not been declared.

In the event that, as a result of an adjustment made pursuant to Section 10.05 hereof, the Holder of any Security thereafter surrendered for conversion shall become entitled to receive any shares of Capital Stock other than shares of Common Stock, thereafter the Conversion Rate of such other shares so receivable upon conversion of any Security 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 this Article X.

10.08 ADJUSTMENTS FOR TAX PURPOSES.

Except as prohibited by law or by the rules of the Nasdaq National Market (or, if the Common Stock is not then quoted on the Nasdaq National Market, the rules of any national securities exchange or automated quotation system on which the Common Stock is then listed or quoted), the Company may make such increases in the Conversion Rate, in addition to those required by Section 10.05 hereof, as it determines to be advisable in order that any stock dividend, subdivision of shares, distribution or rights to purchase stock or securities or distribution of securities convertible into or exchangeable for stock made by the Company or to its stockholders shall not be taxable to the recipients thereof.

10.09 NOTICE OF ADJUSTMENT.

Whenever the Conversion Rate is adjusted, the Company shall promptly mail to Holders at the addresses appearing on the Registrar's books a notice of the adjustment and file with the Trustee an Officer's Certificate briefly stating the facts requiring the adjustment and the manner of computing it. The

certificate shall be conclusive evidence of the correctness of such adjustment.

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10.10 NOTICE OF CERTAIN TRANSACTIONS.

In the event that:

- (1) the Company takes any action, or becomes aware of any event, which would require an adjustment in the Conversion Rate,
- (2) the Company takes any action that would require a supplemental indenture pursuant to Section 10.11, or
- (3) there is a dissolution or liquidation of the Company,

the Company shall mail to Holders at the addresses appearing on the Registrar's books and the Trustee a written notice stating the proposed record, effective or expiration date, as the case may be, of any transaction referred to in clause (1), (2) or (3) of this Section 10.10. The Company shall mail such notice at least twenty (20) days before such date (or, in the case of an event described in Section 10.05(d) or Section 10.05(e), as soon as practicable); however, failure to mail such notice or any defect therein shall not affect the validity of any transaction referred to in clause (1), (2) or (3) of this Section 10.10.

10.11 EFFECT OF RECLASSIFICATIONS, CONSOLIDATIONS, MERGERS, BINDING SHARE EXCHANGES OR SALES ON CONVERSION PRIVILEGE.

If any of the following shall occur, namely: (i) any reclassification or change in the Common Stock issuable upon conversion of Securities (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), (ii) any consolidation, merger or binding share exchange to which the Company is a party other than a merger in which the Company is the continuing Person and which does not result in any reclassification of, or change (other than a change in name, or 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, the Common Stock or (iii) any sale, transfer, lease, conveyance or other disposition of all or substantially all of the property or assets of the Company, then the Company or such successor or purchasing Person, as the case may be, shall, as a condition precedent to such reclassification, change, consolidation, merger, binding share exchange, sale, transfer, lease, conveyance or disposition, execute and deliver to the Trustee a supplemental indenture in form reasonably satisfactory to the Trustee providing that, at and after the effective time of such reclassification, change, consolidation, merger, binding share exchange, sale, transfer, lease, conveyance or disposition, the Holder of each Security then outstanding shall have the right to convert such Security into the kind and amount of shares of stock and other securities and property (including cash) (collectively, "Reference Property") receivable upon such reclassification, change, consolidation, merger, binding share exchange, sale, transfer, lease, conveyance or disposition by a holder of a number of shares of Common Stock equal to a fraction whose denominator is one thousand (1,000) and whose numerator is the product of the principal amount of such Security and the Conversion Rate in effect immediately prior to such reclassification, change, consolidation, merger, binding share exchange, sale,

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transfer, lease, conveyance or disposition, assuming that such Holder would not have exercised any rights of election that such Holder would have had as a holder of Common Stock to select a particular type of consideration; provided, however, that after at the effective time of such reclassification, change, consolidation, merger, binding share exchange, sale, transfer, lease, conveyance or disposition, the Principal Return payable hereunder upon conversion of such Security shall continue to be payable in cash and the Net Share Settlement Conversion Value shall be calculated based on the fair value of the Reference Property. Such supplemental indenture shall provide for adjustments of the Conversion Rate which shall be as nearly equivalent as may be practicable to the adjustments of the Conversion Rate provided for in this Article X. The

foregoing, however, shall not in any way affect the right a Holder of a Security may otherwise have, pursuant to Section 10.05(c) or Section 10.13, to receive Rights upon conversion of a Security. If, in the case of any such consolidation, merger, binding share exchange, sale, transfer, lease, conveyance or disposition, the stock or other securities and property (including cash) receivable thereupon by a holder of Common Stock includes shares of stock or other securities and property of a Person other than the successor or purchasing Person, as the case may be, in such consolidation, merger, binding share exchange, sale, transfer, lease, conveyance or disposition, then such supplemental indenture shall also be executed by such other Person and shall contain such additional provisions to protect the interests of the Holders of the Securities as the Board of Directors in good faith shall reasonably determine necessary by reason of the foregoing. The provision of this Section 10.11 shall similarly apply to successive consolidations, mergers, binding share exchanges, sales, transfers, leases, conveyances or dispositions.

In the event the Company shall execute a supplemental indenture pursuant to this Section 10.11, the Company shall promptly file with the Trustee an Officer's Certificate briefly stating the reasons therefor, the kind or amount of shares of stock or securities or property (including cash) receivable by Holders of the Securities upon the conversion of their Securities after any such reclassification, change, consolidation, merger, binding share exchange, sale, transfer, lease, conveyance or disposition and any adjustment to be made with respect thereto.

10.12 TRUSTEE'S DISCLAIMER.

The Trustee and any Security Agent shall not at any time be under any duty or responsibility to any Holder to either calculate the Conversion Price or determine whether any facts exist which may require any adjustment of the Conversion Price, or with respect to the nature or extent or calculation of any such adjustment when made, or with respect to the method employed herein, or in any supplemental indenture, in making the same and shall be protected in relying upon an Officer's Certificate with respect to the same. Neither the Trustee nor any Security Agent shall be accountable with respect to the validity or value (of the kind or amount) of any shares of Common Stock, or of any other securities or property, which may at any time be issued or delivered upon the conversion of any Security; and neither the Trustee nor any Security Agent makes any representation with respect thereto. Neither the Trustee nor any Security Agent shall be responsible for any failure of the Company to make any cash payment or to issue, transfer or deliver any shares of Common Stock or stock or share certificates or other securities or property upon the surrender of any Security for the purpose of conversion; and the Trustee and any Security Agent shall not be responsible or liable for any failure of the Company to comply with any of the covenants of the Company contained in this Article X. Without limiting the generality of the foregoing, neither the Trustee nor any Security Agent shall be under any responsibility to determine the correctness of any provisions contained in any supplemental indenture entered into pursuant to Section 10.11 relating either to the kind or amount of shares of stock or securities or other property or assets (including cash) receivable by Holders upon the conversion of their Securities after any event referred to in such Section 10.11 or to any adjustment to be made to the Conversion Rate in connection therewith, but, subject to the provisions of Section 7.01,

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may accept as conclusive evidence of the correctness of any such provisions, and shall be protected in relying upon, the Officer's Certificate (which the Company shall be obligated to file with the Trustee prior to the execution of any such supplemental indenture) with respect thereto. Neither the Trustee nor any Security Agent (except for the Bid Solicitation Agent in respect of the determination of the Trading Price as and to the extent provided in Section 10.01) shall be responsible for determining whether any event contemplated by Section 10.01 has occurred which makes the Securities eligible for conversion until the Company has delivered to the Trustee and any Security Agent an Officer's Certificate stating that such event has occurred, on which Certificate the Trustee and any such Security Agent may conclusively rely, and the Company agrees to deliver such Officer's Certificate to the Trustee and any such Security Agent immediately after the occurrence of any such event.

The Trustee has no duty to determine when an adjustment under this Article X should be made, how it should be made or what such adjustment should be, but may accept as conclusive evidence of the correctness of any such adjustment, and

shall be protected in relying upon, the Officer's Certificate with respect thereto which the Company is obligated to file with the Trustee pursuant to Section 10.09 hereof. The Trustee makes no representation as to the validity or value of any securities or assets issued upon conversion of Securities, and the Trustee shall not be responsible for the failure by the Company to comply with any provisions of this Article X.

The Trustee shall not be under any responsibility to determine the correctness of any provisions contained in any supplemental indenture executed pursuant to Section 10.11, but may accept as conclusive evidence of the correctness thereof, and shall be protected in relying upon, the Officer's Certificate with respect thereto which the Company is obligated to file with the Trustee pursuant to Section 10.11 hereof.

10.13 RIGHTS DISTRIBUTIONS PURSUANT TO STOCKHOLDERS' RIGHTS PLANS.

Upon conversion of any Security or a portion thereof, the Company shall make provision for the Holder thereof to receive, in addition to, and concurrently with the delivery of, the consideration otherwise payable hereunder upon such conversion on, the rights described in any stockholders' rights plan the Company may have in effect at such time (whether or not the rights have been separated from the Common Stock prior to the time of conversion). In the event that the Company implements a stockholders' rights plan after the date hereof, the Company shall provide that the Holders shall receive upon conversion of their Securities, in addition to the consideration otherwise payable hereunder upon such conversion, the rights described therein (whether or not the rights have been separated from the Common Stock prior to the time of conversion).

XI. SUBORDINATION

11.01 AGREEMENT TO SUBORDINATE.

The Company agrees, and each Securityholder by accepting a Security agrees, that the payment of all amounts due with respect to the Securities is subordinated in right of payment, to the extent and in the manner provided in this Article XI, to the prior payment in full in cash or cash equivalents of all Senior Indebtedness (whether outstanding on the date hereof or hereafter created, incurred, assumed or guaranteed) and that the subordination is for the benefit of the holders of Senior Indebtedness.

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11.02 CERTAIN DEFINITIONS.

"Designated Senior Indebtedness" means all Indebtedness of the Company under the Credit Agreement by and among the Company, JPMorgan Chase Bank and certain other parties thereto, dated as of June 30, 2003, as it has been or may be amended, modified or extended (including, without limitation, by amending, modifying or extending the maturity thereof) from time to time ("Senior Credit Agreement"), and any other Senior Indebtedness created after the Issue Date in which the instrument creating or evidencing the indebtedness expressly provides that such indebtedness is "Designated Senior Indebtedness" with respect to the Securities.

"Representative" means the indenture trustee or other trustee, agent or representative for an issue of Senior Indebtedness.

"Senior Indebtedness" means all Indebtedness of the Company outstanding at any time, except (i) the Securities, (ii) Indebtedness that by its terms provides that it shall not be "senior" in right of payment to the Securities, (iii) Indebtedness that by its terms provides that it shall be "pari passu" or "junior" or "subordinated" in right of payment to the Securities, (iv) Indebtedness for trade payables or any account payable or other accrued current liability or obligation incurred in the ordinary course of business in connection with the obtaining of materials or services and (v) Indebtedness of the Company to any of its Subsidiaries.

11.03 LIQUIDATION; DISSOLUTION; BANKRUPTCY.

In the event of any insolvency or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding in connection therewith, relating to the Company or to its assets, or any liquidation, dissolution or other winding-up of the Company, whether voluntary

or involuntary, or any assignment for the benefit of creditors or other marshaling of assets or liabilities of the Company (except in connection with the consolidation or merger of the Company or its liquidation or dissolution following the sale, transfer, lease, conveyance or other disposition of all or substantially all of the property or assets of the Company upon the terms and conditions of Article V), the holders of Senior Indebtedness shall be entitled to receive payment in full in cash or cash equivalents of all Senior Indebtedness, or provision shall be made for such payment in full, before the Securityholders shall be entitled to receive any payment or distribution of any kind or character on account of principal of, or premium, if any, or interest, contingent interest or additional interest on, the Securities; and any payment or distribution of assets of the Company of any kind or character, whether in cash, property or securities, by set-off or otherwise, to which the Securityholders or the Trustee would be entitled but for the provisions of this Article XI shall be paid by the liquidating trustee or agent or other person making such payment or distribution, whether a trustee in bankruptcy, a receiver or liquidating trustee or otherwise, directly to the holders of Senior Indebtedness or their Representative or Representatives ratably according to the aggregate amounts remaining unpaid on account of the Senior Indebtedness to the extent necessary to make payment in full of all Senior Indebtedness remaining unpaid, after giving effect to any concurrent payment or distribution to the holders of such Senior Indebtedness.

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11.04 DEFAULT ON DESIGNATED SENIOR INDEBTEDNESS

No payment or distribution of any assets of the Company of any kind or character, whether in cash, property or securities, may be made by or on behalf of the Company on account of the principal of, or premium, if any, or interest, contingent interest or additional interest, if any, on, the Securities or on account of a Purchase at Holder's Option or Repurchase Upon Fundamental Change, Redemption or any other repurchase or acquisition of Securities, upon the occurrence of any Payment Default in respect of Designated Senior Indebtedness until such payment default shall have been cured or waived in writing or shall have ceased to exist or such Designated Senior Indebtedness shall have been discharged or paid in full in cash or cash equivalents. A "Payment Default" shall mean a default in payment, whether at scheduled maturity, upon a scheduled installment, by acceleration or otherwise, of principal of, or premium, if any, or interest on, Designated Senior Indebtedness beyond any applicable grace period.

If (i) there occurs any default or event of default with respect to any Designated Senior Indebtedness, other than a Payment Default, pursuant to which the maturity of such Designated Senior Indebtedness may be accelerated (a "Non-Payment Default"), and (ii) the Trustee receives written notice (a "Payment Blockage Notice") of such Non-Payment Default from the Company or a Representative with respect to such Designated Senior Indebtedness, then no payment or distribution of any assets of the Company of any kind or character, whether in cash, property or securities, may be made during the Payment Blockage Period (as defined below) by or on behalf of the Company on account of the principal of, or premium, if any, or interest, contingent interest or additional interest, if any, on, the Securities or on account of a Purchase at Holder's Option or Repurchase Upon Fundamental Change, Redemption or any other repurchase or acquisition of Securities.

The Payment Blockage Period shall mean the period (each a "Payment Blockage Period") that shall commence upon receipt by the Trustee of the Payment Blockage Notice, and shall end on the earliest of:

(i) one hundred seventy nine (179) days thereafter, provided, that the Designated Senior Indebtedness to which the non-payment default relates shall not theretofore have been accelerated;

(ii) the date on which such Non-Payment Default is cured or waived or ceases to exist;

(iii) the date on which such Designated Senior Indebtedness is discharged or paid in full; or

(iv) the date on which such Payment Blockage Period shall have been terminated by written notice to the Trustee from a Representative of such Designated Senior Indebtedness.

After the termination of a Payment Blockage Period, the Company shall resume making any and all required payments in respect of the Securities, including any missed payments. In any event, not more than one Payment Blockage Period may be commenced during any period of three hundred and sixty five (365) consecutive days. No Non-Payment Default that existed or was continuing on the date of the commencement of any Payment Blockage Period shall be made the basis for the commencement of a subsequent Payment Blockage Period, unless such Non-Payment default has been

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cured or waived for a period of at least ninety (90) consecutive days subsequent to the commencement of such initial Payment Blockage Period.

11.05 PAYMENTS WHILE SENIOR CREDIT AGREEMENT IS IN EFFECT

No payment or distribution of any assets of the Company of any kind or character, whether in cash, property or securities, may be made by or on behalf of the Company on account of a Purchase at Holder's Option, Repurchase Upon Fundamental Change, Redemption or any other repurchase or acquisition of Securities without the consent of the requisite lenders under the Senior Credit Agreement, until the Indebtedness under the Senior Credit Agreement has been discharged or paid in full in cash or cash equivalents. The foregoing shall not restrict the Company from paying the Principal Return and issuing those shares of Common Stock, if any, which are issuable upon conversion of Securities (including the payment of any Make-Whole Premium payable hereunder in shares of Common Stock).

11.06 ACCELERATION OF SECURITIES.

If payment of the Securities is accelerated because of an Event of Default, the Company shall promptly notify holders of Senior Indebtedness of the acceleration.

11.07 WHEN DISTRIBUTION MUST BE PAID OVER.

In the event that, notwithstanding the provisions of Sections 11.03, 11.04 and 11.05, any payment or distribution of any kind or character, whether in cash, property or securities, shall be received by the Trustee or any Holder which is prohibited by such provisions, then and in such event such payment shall be held in trust for the benefit of, and shall be paid over and delivered by such Trustee or Holder to, the trustee or Representative with respect to holders of Senior Indebtedness, as their interest may appear, for application to Senior Indebtedness remaining unpaid until all such Senior Indebtedness has been paid in full in cash or cash equivalents after giving effect to any concurrent distribution to or for the holders of Senior Indebtedness.

With respect to the holders of Senior Indebtedness, the Trustee undertakes to perform only such obligations on the part of the Trustee as are specifically set forth in this Article XI, and no implied covenants or obligations with respect to the holders of Senior Indebtedness shall be read into this Indenture against the Trustee. The Trustee shall not be deemed to owe any fiduciary duty to the holders of Senior Indebtedness, and shall not be liable to any such holders if the Trustee, acting in good faith, shall pay over or distribute to or on behalf of Holders or the Company or any other Person money or assets to which any holders of Senior Indebtedness shall be entitled by virtue of this Article XI or otherwise.

11.08 NOTICE BY THE COMPANY.

The Company shall promptly notify the Trustee and the Paying Agent of any facts known to the Company that would cause a payment of any obligations with respect to the Securities to violate this Article XI, but failure to give such notice shall not affect the subordination of the Securities to the Senior Indebtedness as provided in this Article XI.

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11.09 SUBROGATION.

After all Senior Indebtedness is paid in full and until the Securities are paid in full, Securityholders shall be subrogated (equally and ratably with all other Indebtedness that is equal in right of payment to the Securities) to the rights of holders of Senior Indebtedness to receive distributions applicable to Senior Indebtedness to the extent that distributions otherwise payable to the Securityholders have been applied to the payment of Senior Indebtedness. A distribution made under this Article XI, to holders of Senior Indebtedness that otherwise would have been made to Securityholders is not, as between the Company and Securityholders a payment by the Company of the Securities.

11.10 RELATIVE RIGHTS.

This Article XI, defines the relative rights of Holders and holders of Senior Indebtedness. Nothing in this Indenture shall: (i) impair, as between the Company and Holders, the obligation of the Company, which is absolute and unconditional, to pay principal of and interest on the Securities in accordance with their terms; (ii) affect the relative rights of Holders and creditors of Holders other than their rights in relation to holders of Senior Indebtedness; or (iii) prevent the Trustee or any Holder from exercising its available remedies upon a Default or Event of Default, subject to the rights of holders and owners of Senior Indebtedness to receive distributions and payments otherwise payable to Holders of Securities. If the Company fails because of this Article XI, to pay principal of or any premium or interest on a Security on the Maturity Date, the failure is still a Default or Event of Default.

11.11 SUBORDINATION MAY NOT BE IMPAIRED BY THE COMPANY.

No right of any holder of Senior Indebtedness to enforce the subordination of the Indebtedness evidenced by the Securities shall be impaired by any act or failure to act by the Company or any Holder or by the failure of the Company or any Holder to comply with this Indenture.

Without in any way limiting the generality of this Section 11.11, the holders of Senior Indebtedness may, at any time and from time to time, without the consent of or notice to the Trustee or the Holders, without incurring responsibility to the Trustee or the Holders and without impairing or releasing the subordination provided in this Article XI, or the obligations hereunder of the Holders to the holders of Senior Indebtedness, do any one or more of the following: (a) change the manner, place or terms of payment or extend the time of payment of, or renew or alter, Senior Indebtedness, or any instrument evidencing the same or any agreement under which Senior Indebtedness is outstanding or secured; (b) sell, exchange, release, foreclose against or otherwise deal with any property pledged, mortgaged or otherwise securing Senior Indebtedness; (c) release any person liable in any manner for the collection of Senior Indebtedness; and (d) exercise or refrain from exercising any rights against the Company, and Subsidiary thereof or any other person.

11.12 DISTRIBUTION OR NOTICE TO REPRESENTATIVE.

Whenever a distribution is to be made or a notice given to holders of any Senior Indebtedness, the distribution may be made and the notice given to their Representative. Upon any payment or distribution of assets of the Company referred to in this Article XI, the Trustee and the Holders the Securities shall be entitled to rely upon any order or decree made by any court of competent

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jurisdiction or upon any certificate of such Representative or of the liquidating trustee or agent or other Person making any distribution to the Trustee or to the Holders for the purpose of ascertaining the Persons entitled to participate in such distribution, all 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 XI.

11.13 RIGHTS OF TRUSTEE AND PAYING AGENT.

Notwithstanding the provisions of this Article XI, or any other provision of this Indenture, the Trustee shall not at any time be charged with knowledge of the existence of any facts that would prohibit the making of any payment or distribution to or by the Trustee, and the Trustee and the Paying Agent may continue to make payments on the Securities, unless a Responsible Officer of the Trustee shall have received at the Corporate Trust Office of the Trustee at

least three (3) Business Days prior to the date of such payment written notice of facts that would cause the payment of any obligations with respect to the Securities to violate this Article XI. Only the Company or a trustee or Representative with respect to Senior Indebtedness may give such written notice. Prior to the receipt of any such written notice, the Trustee shall be entitled in all respects to conclusively presume that no such facts exist, and, unless the Trustee shall have theretofore received any such written notice, the Trustee shall have full power and authority to receive any such payment and to apply the same to the purposes for which it was received. The foregoing shall not apply to any Affiliate of the Company acting as a Paying Agent. Nothing in this Article XI, shall impair the claims of, or payments to, the Trustee under or pursuant to Sections 6.10 or 7.07.

The Trustee in its individual or any other capacity may hold Senior Indebtedness with the same rights it would have if it were not Trustee.

XIII. TAX TREATMENT

12.01 TAX TREATMENT.

(a) The Company hereby agrees and each Holder and any beneficial holder of a Security by its purchase of a Security hereby agrees (in the absence of administrative or judicial determination to the contrary):

(1) to treat the Securities as indebtedness of the Company for all United States federal income tax purposes;

(2) to treat the Securities as debt instruments that are subject to Treasury Regulation section 1.1275-4(b); and

(3) to treat the delivery of Common Stock or cash (including cash delivered in lieu of a fractional share) to a Holder of a Security upon conversion of such Security, as a contingent payment (in an amount equal to the sum of the fair market value of such Common Stock and any cash received (as determined in good faith by the Board of Directors of the Company)) under Treasury Regulation section 1.1275-4(b).

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12.02 COMPARABLE YIELD AND PROJECTED PAYMENT SCHEDULE.

(a) Solely for purposes of applying Treasury Regulation section 1.1275-4 to the Securities:

(1) for United States federal income tax purposes, the Company shall accrue interest with respect to outstanding Securities as original issue discount according to the "noncontingent bond method," as set forth in Treasury Regulation section 1.1275-4(b), using a comparable yield of 7.05%, compounded semiannually, and the projected payment schedule as determined by the Company;

(2) the Company shall file with the Trustee promptly following the end of each calendar year (A) a written notice specifying the amount of original issue discount for United States federal income tax purposes accrued on outstanding Securities as of the end of such year and (B) such other specific information relating to such original issue discount that the Company determines to be relevant under the Internal Revenue Code of 1986, as amended from time to time, including the amount of any adjustment made under the noncontingent bond method to account for the amount of any difference between the amount of an actual payment and the amount of a projected payment; and

(3) the Company acknowledges and agrees, and each Holder and any beneficial holder of a Security, by its purchase of a Security shall be deemed to acknowledge and agree, that (A) the projected payment schedule is determined on the basis of an assumption of linear growth of stock price (unless otherwise required by administrative or judicial determination), (B) the comparable yield and the projected payment schedule are not determined for any purpose other than for the purpose of applying Treasury Regulation

section 1.1275-4(b)(4) to the Security, (C) the comparable yield and the projected payment schedule do not constitute a projection or representation regarding the actual amounts payable on the Securities, and (D) the Company's application of Treasury Regulation section 1.1275-4(b), including the Company's determination of the comparable yield and the projected payment schedule shall be binding on each Holder and any beneficial holder of a Security (unless otherwise required by administrative or judicial determination).

Holders that wish to obtain the projected payment schedule may do so by submitting a written request to the Company (to the attention of the Treasurer) as set forth in Section 13.02 below.

XIII. MISCELLANEOUS

13.01 TRUST INDENTURE ACT CONTROLS.

If any provision of this Indenture limits, qualifies or conflicts with another provision which is required to be included in this Indenture by the TIA, the required provision of the TIA shall control.

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13.02 NOTICES.

Any notice or communication by the Company or the Trustee to the other is duly given if in writing and delivered in person, mailed by first-class mail or by express delivery to the other party's address stated in this Section 13.02. The Company or the Trustee by notice to the other may designate additional or different addresses for subsequent notices or communications.

Any notice or communication to a Holder shall be mailed to its address shown on the register kept by the Registrar. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it; provided, however, that, anything herein to the contrary notwithstanding, no notice or communication to the Trustee shall be deemed to be duly given or valid unless and until it is actually received by the Trustee at the Corporate Trust Office of the Trustee.

If the Company mails a notice or communication to Holders, it shall mail a copy to the Trustee and each Security Agent at the same time.

All notices or communications shall be in writing.

The Company's address is:

CONMED Corporation
525 French Road
Utica, New York 13502
Attn: General Counsel

The Trustee's address is:

The Bank of New York
101 Barclay Street -- 8W
New York, New York 10286
Attn: Corporate Trust Administration -- Corporate Finance Unit

13.03 COMMUNICATION BY HOLDERS WITH OTHER HOLDERS.

Holders may communicate pursuant to TIA ss. 312(b) with other Holders with respect to their rights under this Indenture or the Securities. The Company, the Trustee, the Registrar and anyone else shall have the protection of TIA ss. 312(c).

13.04 CERTIFICATE AND OPINION AS TO CONDITIONS PRECEDENT.

Upon any request or application by the Company to the Trustee to take any action under this Indenture, the Company shall furnish to the Trustee:

(i) an Officer's Certificate stating that, in the opinion of the signatory thereto, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(ii) if requested by the Trustee, an Opinion of Counsel stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

Such Officer's Certificate and Opinion of Counsel shall be addressed and furnished to the Trustee. Each signatory to an Officer's Certificate or an Opinion of Counsel may (if so stated) rely, effectively, upon an Opinion of Counsel as to legal matters and an Officer's Certificate as to factual matters if such signatory reasonably and in good faith believes in the accuracy of the document relied upon. Each Opinion of Counsel may rely upon certificates of public officials as to factual matters if such signatory reasonably and in good faith believes in the accuracy of such certificates relied upon.

13.05 STATEMENTS REQUIRED IN CERTIFICATE OR OPINION.

If required by the TIA, each Officer's Certificate or Opinion of Counsel with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(i) a statement that the person making such certificate or opinion has read such covenant or condition;

(ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(iii) a statement that, in the opinion of such person, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(iv) a statement as to whether or not, in the opinion of such person, such condition or covenant has been complied with.

13.06 RULES BY TRUSTEE AND AGENTS.

The Trustee may make reasonable rules for action by or at a meeting of Holders. The Registrar, Paying Agent or Conversion Agent may make reasonable rules and set reasonable requirements for their respective functions.

13.07 LEGAL HOLIDAYS.

A "Legal Holiday" is a Saturday, a Sunday or a day on which banking institutions are not required to be open in the City of New York, in the State of New York or in the city in which the Trustee administers its corporate trust business. If a payment date is a Legal Holiday at a place of payment, payment may be made at that place on the next succeeding day that is not a Legal Holiday, and no interest shall accrue on that payment for the intervening period.

A "Business Day" is a day other than a Legal Holiday.

13.08 DUPLICATE ORIGINALS.

The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. Delivery of an executed counterpart by facsimile shall be effective as delivery of a manually executed counterpart thereof.

13.09 GOVERNING LAW.

The laws of the State of New York shall govern this Indenture and the Securities.

13.10 NO ADVERSE INTERPRETATION OF OTHER AGREEMENTS.

This Indenture may not be used to interpret another indenture, loan or debt agreement of the Company or any of its Subsidiaries. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

13.11 SUCCESSORS.

All agreements of the Company in this Indenture and the Securities shall bind its successors. All agreements of the Trustee in this Indenture shall bind its successors.

13.12 SEPARABILITY.

In case any provision in this Indenture or in the Securities shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and a Holder shall have no claim therefor against any party hereto.

13.13 TABLE OF CONTENTS, HEADINGS, ETC.

The Table of Contents, Cross-Reference Table and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part hereof and shall in no way modify or restrict any of the terms or provisions hereof.

13.14 CALCULATIONS IN RESPECT OF THE SECURITIES.

The Company and its agents (including, without limitation, the Bid Solicitation Agent) shall make all calculations under this Indenture and the Securities in good faith. In the absence of manifest error, such calculations shall be final and binding on all Holders. The Company shall provide a copy of such calculations to the Trustee as required hereunder, and, absent such manifest error, the Trustee shall be entitled to rely on the accuracy of any such calculation without independent verification.

[The Remainder of This Page Intentionally Left Blank; Signature Page Follows]

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

CONMED CORPORATION

By: /s/ Daniel S. Jonas

Name: Daniel S. Jonas
Title: VP Legal Affairs, General Counsel

THE BANK OF NEW YORK,
as Trustee

By: /s/ Kisha A. Holder

Name: Kisha A. Holder
Title: Assistant Vice President

EXHIBIT A

[Face of Security]

CONMED CORPORATION

Certificate No. _____

[INSERT PRIVATE PLACEMENT LEGEND AND GLOBAL SECURITY LEGEND AS REQUIRED]

2.50% Convertible Senior Subordinated Note due 2024

CUSIP No. _____

ISIN No. _____

CONMED Corporation, a New York corporation (the "Company"), for value received, hereby promises to pay to Cede & Co., or its registered assigns, the principal sum of _____ dollars (\$_____) on November 15, 2024 and to pay interest thereon, as provided on the reverse hereof, until the principal and any unpaid and accrued interest are paid or duly provided for.

Interest Payment Dates: May 15 and November 15, with the first payment to be made on May 15, 2005.

Record Dates: May 1 and November 1.

The provisions on the back of this certificate are incorporated as if set forth on the face hereof.

IN WITNESS WHEREOF, CONMED Corporation has caused this instrument to be duly signed.

CONMED CORPORATION

By: _____

Name:
Title:

Dated: _____

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TRUSTEE'S CERTIFICATE OF AUTHENTICATION

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

THE BANK OF NEW YORK, as Trustee

By: _____
Authorized Signatory

Dated: _____

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[REVERSE OF SECURITY]

CONMED CORPORATION

2.50% Convertible Senior Subordinated Note due 2024

1. Interest. CONMED Corporation, a New York corporation (the "Company"), promises to pay interest on the principal amount of this Security at the rate per annum shown above. The Company shall pay interest, payable semi-annually in arrears, on May 15 and November 15 of each year, with the first payment to be made on May 15, 2005. Interest on the Securities shall accrue on the principal amount from, and including, the most recent date to which interest has been paid or provided for or, if no interest has been paid, from, and including, November 10, 2004, in each case to, but excluding, the next interest payment date or Maturity Date, as the case may be. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

In addition, the Company shall pay contingent interest ("Contingent Interest") to the Holders during any six-month period (a "Contingent Interest Period") from and including May 15 to and including November 14 and from and including November 15 to and including May 14, commencing with the six-month period beginning November 15, 2011, if the average Trading Price of a Security for the five consecutive Trading Day period preceding the third Trading Day before the first day of the relevant Contingent Interest Period equals one hundred and twenty percent (120%) or more of the principal amount of a Security.

The Company shall instruct the Bid Solicitation Agent to determine the daily Trading Prices of the Securities during each applicable five consecutive Trading Day period. The Bid Solicitation Agent shall calculate the Trading Price in the same manner it calculates the Trading Price for conversion of the Securities upon satisfaction of the Trading Price Condition as described in Section 10.01(A)(ii) of the Indenture (as defined below); provided, however, that the Company shall, without any request of any Holder, instruct the Bid Solicitation Agent to determine the daily Trading Prices of the Securities during each applicable five consecutive Trading Day period. Upon a determination by the Company that Holders shall be entitled to receive Contingent Interest with respect to a Contingent Interest Period, the Company shall, on or prior to the first day of such Contingent Interest Period, publicly announce, and provide a notice to the Trustee of, the amount of such Contingent Interest payable per \$1,000 principal amount of Securities.

The amount of Contingent Interest payable per \$1,000 principal amount of Securities in respect of any Contingent Interest Period, if applicable, shall be equal to a per annum rate of 0.25% of the average Trading Price of such Security for the five consecutive Trading Day period ending on and including the third Trading Day immediately preceding the first day of the relevant six-month period. Contingent Interest, if any, shall accrue and be payable to Holders in the same manner as regular cash interest. Regular cash interest shall continue to accrue at the per annum rate of 2.50% on the principal amount of the Securities whether or not Contingent Interest is paid.

2. Maturity. The Securities mature on November 15, 2024.

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3. Method of Payment. Except as provided in the Indenture (as defined below), the Company shall pay interest on the Securities to the persons who are Holders of record of Securities at the close of business on the record date set forth on the face of this Security next preceding the applicable interest payment date. Holders must surrender Securities to a Paying Agent to collect the principal amount, Redemption Price, Option Purchase Price or Fundamental Change Repurchase Price of the Securities, plus, if applicable, accrued and unpaid interest, if any, payable as herein provided upon Redemption, Purchase at Holder's Option or Repurchase Upon Fundamental Change, as the case may be. The Company shall pay, in money of the United States that at the time of payment is legal tender for payment of public and private debts, all amounts due in cash with respect to the Securities, which amounts shall be paid (A) in the case this Security is in global form, by wire transfer of immediately available funds to the account specified by the Holder hereof and (B) in the case this Security is held in other than global form, by mailing a check to such Holder's address shown in the register of the Registrar.

4. Paying Agent, Registrar, Conversion Agent. Initially, The Bank of New York (the "Trustee") shall act as Paying Agent, Registrar, Bid Solicitation Agent and Conversion Agent. The Company may change any Paying Agent, Registrar, Bid Solicitation Agent or Conversion Agent without notice.

5. Indenture. The Company issued the Securities under an Indenture dated as of November 10, 2004 (the "Indenture") between the Company and the Trustee. The terms of the Securities include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (15 U.S. Code ss.ss. 77aaa-77bbbb) (the "TIA") as amended and in effect from time to time. The Securities are subject to all such terms, and Holders are referred to the Indenture and the TIA for a statement of such terms. The Securities are general unsecured senior subordinated obligations of the Company limited to \$150,000,000 aggregate principal amount, except as otherwise provided in the Indenture (except for Securities issued in substitution for destroyed, mutilated, lost or stolen Securities). Terms used herein without definition and which are defined in the Indenture have the meanings assigned to them in the

Indenture.

6. Optional Redemption.

The Company shall have the right, at the Company's option, at any time, and from time to time, on a Redemption Date on or after November 15, 2011, to redeem all or any part of the Securities at a price payable in cash equal to one hundred percent (100%) of the principal amount of the Securities to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the Redemption Date.

Upon surrender to the Paying Agent of a Security subject to Redemption, such Security shall be paid, to the Holder surrendering such Security, at the Redemption Price plus accrued and unpaid interest to, but excluding, the Redemption Date; provided, however, that if the Redemption Date is an interest payment date, the interest becoming due on such date shall be paid to the Holder of record of such Security at the close of business on the record date for such interest payment and shall not be included in the accrued and unpaid interest otherwise payable upon Redemption. The Company shall make at least fourteen (14) semi-annual interest

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payments with respect to the Securities prior to redeeming any Securities under this paragraph 6.

If the Paying Agent (other than the Company) holds on the Redemption Date money sufficient to pay the aggregate Redemption Price, and accrued and unpaid interest, if any, to, but excluding, the Redemption Date, payable on the Redemption Date with respect to all Securities to be redeemed, then (unless there shall be a Default in the payment of the Redemption Price or such accrued and unpaid interest) on and after the Redemption Date such Securities shall be deemed to be no longer outstanding, interest on such Securities shall cease to accrue, and such Securities shall be deemed paid whether or not such Securities are delivered to the Paying Agent. Thereafter, all rights of the Holders of such Securities shall terminate with respect to such Securities, other than the right to receive, upon surrender of such Securities in accordance with the Indenture, the Redemption Price plus such accrued and unpaid interest.

7. Notice of Redemption. Notice of Redemption shall be mailed at least thirty (30) days but not more than sixty (60) days before the Redemption Date to each Holder of Securities to be redeemed at its address appearing in the security register. Subject to the restrictions set forth in Section 2.02 of the Indenture, Securities in denominations larger than \$2,000 principal amount may be redeemed in part but only in integral multiples of \$1,000 principal amount.

8. Purchase by the Company at the Option of the Holder. Subject to the terms and conditions of the Indenture, the Company shall become obligated to purchase, at the option of the Holder, the Securities held by such Holder on November 15, 2011, November 15, 2014 and November 15, 2019 (each, an "Option Purchase Date") at an Option Purchase Price, payable in cash, equal to one hundred percent (100%) of the principal amount of the Securities to be purchased, plus accrued and unpaid interest, if any, to, but excluding, applicable Option Purchase Date, upon delivery of a Purchase Notice containing the information set forth in the Indenture, at any time from the opening of business on the date that is twenty (20) Business Days prior to the applicable Option Purchase Date until the close of business on the Business Day immediately preceding the applicable Option Purchase Date and upon delivery of the Securities to the Paying Agent by the Holder as set forth in the Indenture.

Holders have the right to withdraw any Purchase Notice by delivering to the Paying Agent a written notice of withdrawal at any time prior to the close of business on the Business Day immediately preceding the applicable Option Purchase Date in accordance with the provisions of the Indenture.

If the Paying Agent (other than the Company) holds on the applicable Option Purchase Date money sufficient to pay the aggregate Option Purchase Price, and accrued and unpaid interest, if any, to, but excluding, such Option Purchase Date, payable in respect of Securities on such Option Purchase Date, then (unless there shall be a Default in the payment of such aggregate Option Purchase Price or such accrued and unpaid interest) on and after such Option Purchase Date such Securities shall be deemed to be no longer outstanding and interest on them shall cease to accrue, and such Securities shall be deemed paid

whether or not such Securities are delivered to the Paying Agent. Thereafter, all other rights of the Holders of such Securities shall terminate with respect to such Securities, other than the right to receive, upon surrender of such

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Securities in accordance with the Indenture, the Option Purchase Price plus such accrued and unpaid interest.

9. Repurchase at Option of Holder Upon a Fundamental Change. Subject to the terms and conditions of the Indenture, in the event of a Fundamental Change, each Holder of the Securities shall have the right, at the Holder's option, to require the Company to repurchase such Holder's Securities or any portion thereof which is \$1,000 in principal amount or any integral multiple thereof on a date selected by the Company (the "Fundamental Change Repurchase Date"), which date is no later than thirty (30) Trading Days, and no earlier than twenty (20) Trading Days, after the date on which notice of such Fundamental Change is mailed in accordance with the Indenture, and no earlier than the date such Fundamental Change occurs, at a price payable in cash equal to one hundred percent (100%) of the principal amount of such Security, plus accrued and unpaid interest to, but excluding, the Fundamental Change Repurchase Date; provided, however, that, if a Holder of a Security elects to require the Company, in accordance with Section 3.09 of the Indenture, to repurchase such Security in connection with a Make-Whole Fundamental Change, then the Holder of such Security shall be entitled to receive, in addition to such cash, a Make-Whole Premium, as determined in accordance with, and in the manner and form as set forth in, Section 3.09(J) of the Indenture.

Within fifteen (15) days after the occurrence of the Fundamental Change, the Company must mail, or cause to be mailed, notice of the occurrence of such Fundamental Change to each Holder. Such notice shall include, among other things, a description of the procedure which a Holder must follow to exercise the Fundamental Change Repurchase Right. To exercise the Fundamental Change Repurchase Right, a Holder of Securities must, in accordance with the provisions of the Indenture, (i) deliver, no later than the close of business on the Business Day immediately preceding the Fundamental Change Repurchase Date, a Purchase Notice to the Company (if it is acting as its own Paying Agent) or to the Paying Agent; and (ii) deliver, at any time after the delivery of such Purchase Notice, the Securities with respect to which the Holder is exercising its Fundamental Change Repurchase Right (together with all necessary endorsements).

10. Conversion. Subject to earlier Redemption, Purchase at Holder's Option or Repurchase Upon Fundamental Change, Holders may surrender Securities in integral multiples of \$1,000 principal amount for conversion into cash and, if applicable, shares of Common Stock at such times and upon compliance with such conditions set forth in, and in accordance with, the Indenture.

To convert a Security, a Holder must (1) complete and sign the conversion notice ("Conversion Notice"), with appropriate signature guarantee, on the back of the Security, (2) surrender the Security to a Conversion Agent, (3) furnish appropriate endorsements and transfer documents if required by the Registrar or Conversion Agent, (4) pay the amount of interest, if any, the Holder must pay in accordance with the Indenture and (5) pay any tax or duty if required pursuant to the Indenture. Subject to the restrictions set forth in Section 2.02 of the Indenture, a Holder may convert a portion of a Security if the portion is \$1,000 principal amount or an integral multiple of \$1,000 principal amount. Once given, a Conversion Notice may not be rescinded.

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Upon conversion of a Security, the Holder thereof shall be entitled to receive the cash and, if applicable, shares of Common Stock payable upon conversion in accordance with Article X of the Indenture; provided, however, that, if a Make-Whole Fundamental Change occurs and such Security is surrendered for conversion at any time during the period that begins on, and includes, the date that is fifteen (15) Business Days prior to the date originally announced by the Company as the anticipated effective date of such Make-Whole Fundamental Change (which anticipated effective date the Company shall disclose, in good faith, in the written notice and public announcement referred to in Section 10.01(C) of the Indenture) and ends on, and includes, the date that is fifteen

(15) Business Days after the actual effective date of such Make-Whole Fundamental Change, then the holder of such Security shall be entitled to receive, in addition to such cash and, if applicable, shares receivable upon conversion, a Make-Whole Premium, as determined in accordance with, and in the manner and form as set forth in, Section 3.09(J) of the Indenture.

The initial Conversion Rate is 26.1849 shares of Common Stock per \$1,000 principal amount of Securities (which results in an effective initial Conversion Price of approximately \$38.19 per share) subject to adjustment in the event of certain circumstances as specified in the Indenture. The Company shall deliver a check in lieu of any fractional share. If a Holder surrenders a Security for conversion after the close of business on the record date for the payment of an installment of interest and prior to the related interest payment date, such Security, when surrendered for conversion, must be accompanied by payment of an amount equal to the interest thereon which the registered Holder at the close of business on such record date is to receive (other than overdue interest, if any, that has accrued on such Security), unless such Security has been called for Redemption as described in the Indenture.

Any shares of Common Stock that are issued upon conversion of a Security shall bear the Private Placement Legend until after the second anniversary of the later of the Issue Date and the last date on which the Company or any Affiliate was the owner of such shares or the Security (or any predecessor security) from which such shares were converted (or such shorter period of time as permitted by Rule 144(k) under the Securities Act or any successor provision thereunder) (or such longer period of time as may be required under the Securities Act or applicable state securities laws, as set forth in an Opinion of Counsel, unless otherwise agreed by the Company and the Holder thereof).

11. Denominations, Transfer, Exchange. The Securities are in registered form, without coupons, in denominations of \$2,000 principal amount and integral multiples of \$1,000 principal amount in excess thereof. Notwithstanding anything contrary contained herein or in the Indenture, the principal amount of each Security (including any Security to be issued, re-issued or exchanged pursuant to a partial conversion, redemption, purchase or repurchase of the Securities) shall be \$2,000 or more at all times, and the Company shall not be required to issue any Securities in the principal amount of less than \$2,000. The transfer of Securities may be registered and Securities may be exchanged as provided in the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents. No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or similar governmental charge that may be imposed in connection with certain transfers or exchanges. The Company or the Trustee, as the case may be, shall not be required to register the transfer of

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or exchange any Security (i) during a period beginning at the opening of business fifteen (15) days before the mailing of a notice of redemption of the Securities selected for Redemption under Section 3.04 of the Indenture and ending at the close of business on the day of such mailing or (ii) for a period of fifteen (15) days before selecting, pursuant to Section 3.03 of the Indenture, Securities to be redeemed or (iii) that has been selected for Redemption or for which a Purchase Notice has been delivered, and not withdrawn, in accordance with the Indenture, except the unredeemed or unrepurchased portion of Securities being redeemed or repurchased in part.

12. Persons Deemed Owners. The registered Holder of a Security may be treated as the owner of such Security for all purposes.

13. Merger or Consolidation. The Company shall not consolidate with, or merge with or into, or sell, transfer, lease, convey or otherwise dispose of all or substantially all of the property or assets of the Company to, another person, whether in a single transaction or series of related transactions, except in accordance with Section 5.01 of the Indenture.

14. Amendments, Supplements and Waivers. The Indenture or the Securities may be amended or supplemented in accordance with Article IX of the Indenture.

15. Defaults and Remedies. If an Event of Default (excluding an Event of Default specified in Section 6.01(viii) or (ix) of the Indenture with respect to the Company (but including an Event of Default specified in Section 6.01(viii)

or (ix) of the Indenture solely with respect to a Significant Subsidiary of the Company or any group of Subsidiaries that in the aggregate would constitute a Significant Subsidiary of the Company)) occurs and is continuing, the Trustee by notice to the Company or the Holders of at least twenty five percent (25%) in principal amount of the Securities then outstanding by notice to the Company and the Trustee may declare the Securities to be due and payable. Upon such declaration, the principal of, and any premium and accrued and unpaid interest (including any contingent interest and additional interest) on, all Securities shall be due and payable immediately. If an Event of Default specified in Section 6.01(viii) or (ix) of the Indenture with respect to the Company (excluding, for purposes of this sentence, an Event of Default specified in Section 6.01(viii) or (ix) of the Indenture solely with respect to a Significant Subsidiary of the Company or any group of Subsidiaries that in the aggregate would constitute a Significant Subsidiary of the Company) occurs, the principal of, and premium and accrued and unpaid interest (including any contingent interest and additional interest) on, all the Securities shall ipso facto become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder. The Holders of a majority in aggregate principal amount of the Securities then outstanding by written notice to the Trustee may rescind or annul an acceleration and its consequences if (A) the rescission would not conflict with any order or decree, (B) all existing Events of Default, except the nonpayment of principal, premium or interest that has become due solely because of the acceleration, have been cured or waived and (C) all amounts due to the Trustee under Section 7.07 of the Indenture have been paid.

Holders may not enforce the Indenture or the Securities except as provided in the Indenture. The Holders of a majority in aggregate principal amount of the Securities then outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on it. However, the Trustee

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may refuse to follow any direction that conflicts with law or the Indenture, is unduly prejudicial to the rights of other Holders or would involve the Trustee in personal liability unless the Trustee is offered indemnity reasonably satisfactory to it; provided, that the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

16. Subordination. The Securities are subordinated in right of payment, in the manner and to the extent set forth in the Indenture, to the prior payment in full of all Senior Indebtedness. Each Holder, by accepting a Security, agrees to the subordination provisions of the Indenture and authorizes the Trustee to give them effect.

17. Registration Rights. The Holders are entitled to registration rights as set forth in the Registration Rights Agreement. The Holders shall be entitled to receive additional interest in certain circumstances, all as set forth in the Registration Rights Agreement.

18. Trustee Dealings with the Company. The Trustee under the Indenture, or any banking institution serving as successor Trustee thereunder, in its individual or any other capacity, may make loans to, accept deposits from, and perform services for, the Company or its Affiliates, and may otherwise deal with the Company or its Affiliates, as if it were not Trustee.

19. No Recourse Against Others. No past, present or future director, officer, employee or stockholder, as such, of the Company shall have any liability for any obligations of the Company under the Securities or the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder, by accepting a Security, waives and releases all such liability. The waiver and release are part of the consideration for the issue of the Securities.

20. Authentication. This Security shall not be valid until authenticated by the manual signature of the Trustee or an authenticating agent in accordance with the Indenture.

21. Abbreviations. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entirety), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (Uniform Gifts to

Minors Act).

THE COMPANY WILL FURNISH TO ANY HOLDER UPON WRITTEN REQUEST AND WITHOUT CHARGE A COPY OF THE INDENTURE. REQUESTS MAY BE MADE TO:

CONMED Corporation
525 French Road
Utica, New York 13502

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[FORM OF ASSIGNMENT]

I or we assign to

PLEASE INSERT SOCIAL SECURITY OR
OTHER IDENTIFYING NUMBER

(please print or type name and address)

the within Security and all rights thereunder, and hereby irrevocably constitute and appoint

Attorney to transfer the Security on the books of the Company with full power of substitution in the premises.

Dated: -----

NOTICE: The signature on this assignment must correspond with the name as it appears upon the face of the within Security in every particular without alteration or enlargement or any change whatsoever and be guaranteed by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

Signature Guarantee: -----

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In connection with any transfer of this Security occurring prior to the date which is the earlier of (i) the date of the declaration by the SEC of the effectiveness of a registration statement under the Securities Act of 1933, as amended, covering resales of this Security (which effectiveness shall not have been suspended or terminated at the date of the transfer) and (ii) the Resale Restriction Termination Date, the undersigned confirms that it is making, and it has not utilized any general solicitation or general advertising in connection with, the transfer:

[Check One]

(1) _____ to the Company or any Subsidiary thereof, or

- (2) _____ pursuant to, and in compliance with, the exemption from registration provided by Rule 144A under the Securities Act of 1933, as amended, or
- (3) _____ pursuant to, and in compliance with, the exemption from registration provided by Rule 144 under the Securities Act of 1933, as amended, or
- (4) _____ pursuant to, and in compliance with, an exemption from registration under the Securities Act of 1933, as amended, other than Rule 144A or Rule 144, or
- (5) _____ pursuant to an effective registration statement under the Securities Act of 1933, as amended,

and, unless the box below is checked, the undersigned confirms that this Security is not being transferred to an "affiliate" of the Company (an "Affiliate") as defined in Rule 144 under the Securities Act of 1933, as amended:

The transferee is an Affiliate of the Company. (If the Security is transferred to an Affiliate, the restrictive legend must remain on the Security for at least two (2) years following the date of the transfer.)

Unless one of the items (1) through (5) is checked, the Trustee will refuse to register any of the Securities evidenced by this certificate in the name of any person other than the registered Holder thereof; provided, however, that if item (3) or (4) is checked, the Company or the Trustee may require, prior to registering any such transfer of the Securities, in their sole discretion, such written legal opinions, certifications and other information as the Trustee or the Company have reasonably requested to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933, as amended. If item (2) is checked, the purchaser must complete the certification below.

If none of the foregoing items are checked, the Trustee or Registrar shall not be obligated to register this Security in the name of any person other than the Holder hereof unless and until the conditions to any such transfer of registration set forth herein and in the Indenture shall have been satisfied.

Dated: _____ Signed: _____
 (Sign exactly as name appears on the other side of this Security)

Signature Guarantee: _____

TO BE COMPLETED BY PURCHASER IF (2) ABOVE IS CHECKED

The undersigned represents and warrants that it is purchasing this Security for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act of 1933, as amended, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A and acknowledges that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Dated: _____
 NOTICE: To be executed by an executive officer

CONVERSION NOTICE

To convert this Security in accordance with the Indenture, check the box: |_|

To convert only part of this Security, state the principal amount to be converted (must be in multiples of \$1,000):

\$ _____

If you want the stock certificate representing the shares of Common Stock, if any, issuable upon conversion made out in another person's name, fill in the form below:

(Insert other person's soc. sec. or tax I.D. no.)

(Print or type other person's name, address and zip code)

Date: _____ Signature(s): _____

(Sign exactly as your name(s) appear(s) on the other side of this Security)

Signature(s) guaranteed by:

(All signatures must be guaranteed by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.)

PURCHASE NOTICE

Certificate No. of Security: _____

If you want to elect to have this Security purchased by the Company pursuant to Section 3.08 of the Indenture, check the box: |_|

If you want to elect to have this Security purchased by the Company pursuant to Section 3.09 of the Indenture, check the box: |_|

If you want to elect to have only part of this Security purchased by the Company pursuant to Sections 3.08 or 3.09 of the Indenture, as applicable, state the principal amount to be so purchased by the Company:

\$ _____
(in an integral multiple of \$1,000)

Date: _____ Signature(s): _____

(Sign exactly as your name(s) appear(s) on the other side of this Security)

Signature(s) guaranteed by:

(All signatures must be guaranteed by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.)

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SCHEDULE A

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL SECURITY(a)

The following exchanges of a part of this Global Security for an interest in another Global Security or for Securities in certificated form, have been made:

Date of Exchange	Amount of decrease in Principal amount of this Global Security	Amount of Increase in Principal amount of this Global Security	Principal amount of this Global Security following such decrease or increase	Signature or authorized signatory of Trustee or Note Custodian
------------------	--	--	--	--

(a) This is included in Global Securities only.

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EXHIBIT B-1

FORM OF PRIVATE PLACEMENT LEGEND

THIS SECURITY AND THE COMMON STOCK, IF ANY, ISSUABLE UPON CONVERSION OF THIS SECURITY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE ACQUIRER

(1) REPRESENTS THAT IT AND ANY ACCOUNT FOR WHICH IT IS ACTING IS A "QUALIFIED INSTITUTIONAL BUYER" (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT) AND THAT IT EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO EACH SUCH ACCOUNT, AND

(2) AGREES THAT IT WILL NOT DIRECTLY OR INDIRECTLY ENGAGE IN ANY HEDGING TRANSACTIONS INVOLVING THIS SECURITY OR THE COMMON STOCK ISSUABLE UPON CONVERSION OF THIS SECURITY UNLESS IN COMPLIANCE WITH THE SECURITIES ACT, AND

(3) AGREES FOR THE BENEFIT OF THE COMPANY THAT IT WILL NOT OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER THIS SECURITY OR ANY BENEFICIAL INTEREST HEREIN PRIOR TO THE DATE THAT IS THE LATER OF (X) TWO YEARS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY) OR SUCH SHORTER PERIOD OF TIME AS PERMITTED BY RULE 144(K) UNDER THE SECURITIES ACT OR ANY SUCCESSOR PROVISION THEREUNDER, AND (Y) SUCH LATER DATE, IF ANY, AS MAY BE REQUIRED BY APPLICABLE LAW, EXCEPT ONLY

(A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF,

(B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BECOME EFFECTIVE UNDER THE SECURITIES ACT,

- (C) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, OR
- (D) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT OR ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

PRIOR TO THE REGISTRATION OF ANY TRANSFER IN ACCORDANCE WITH (3) (C) ABOVE, A DULY COMPLETED AND SIGNED CERTIFICATE (THE FORM OF WHICH MAY BE OBTAINED FROM THE TRUSTEE) MUST BE DELIVERED TO THE TRUSTEE. PRIOR TO THE REGISTRATION OF ANY TRANSFER IN ACCORDANCE WITH (3) (D) ABOVE, THE COMPANY AND THE TRUSTEE RESERVE THE RIGHT TO REQUIRE THE DELIVERY OF SUCH LEGAL OPINIONS, CERTIFICATIONS OR OTHER EVIDENCE AS MAY REASONABLY BE REQUIRED IN ORDER TO DETERMINE THAT THE PROPOSED TRANSFER IS BEING MADE IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF ANY EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

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THIS SECURITY SHALL BE ENTITLED TO THE BENEFITS OF THAT CERTAIN REGISTRATION RIGHTS AGREEMENT, DATED NOVEMBER 10, 2004, AMONG CONMED CORPORATION, UBS SECURITIES LLC, BANC OF AMERICA SECURITIES LLC, CITIGROUP GLOBAL MARKETS INC. AND J.P. MORGAN SECURITIES INC.

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EXHIBIT B-2

FORM OF TAX LEGEND

THIS SECURITY IS SUBJECT TO REGULATIONS GOVERNING CONTINGENT PAYMENT DEBT INSTRUMENTS. UNDER SUCH REGULATIONS, THE COMPARABLE YIELD OF THIS SECURITY IS 7.05%. THE ISSUER AGREES, AND BY PURCHASING A BENEFICIAL OWNERSHIP INTEREST IN THE SECURITIES EACH HOLDER OF SECURITIES WILL BE DEEMED TO HAVE AGREED, FOR UNITED STATES FEDERAL INCOME TAX PURPOSES (1) TO TREAT THE SECURITIES AS INDEBTEDNESS THAT IS SUBJECT TO TREAS. REG. SEC. 1.1275-4 (THE "CONTINGENT PAYMENT REGULATIONS") AND, FOR PURPOSES OF THE CONTINGENT PAYMENT REGULATIONS, TO TREAT THE FAIR MARKET VALUE OF ANY STOCK BENEFICIALLY RECEIVED BY A BENEFICIAL HOLDER UPON ANY CONVERSION OF THE SECURITIES AS A CONTINGENT PAYMENT AND (2) TO BE BOUND BY THE ISSUER'S DETERMINATION OF THE "COMPARABLE YIELD" AND "PROJECTED PAYMENT SCHEDULE," WITHIN THE MEANING OF THE CONTINGENT PAYMENT REGULATIONS, WITH RESPECT TO THE SECURITIES. THE ISSUER AGREES TO PROVIDE PROMPTLY TO HOLDER OF SECURITIES, UPON WRITTEN REQUEST THE ISSUE DATE, YIELD TO MATURITY, COMPARABLE YIELD AND PROJECTED PAYMENT SCHEDULE. ANY SUCH WRITTEN REQUEST SHOULD BE SENT TO THE ISSUER AT THE FOLLOWING ADDRESS: CONMED CORPORATION, 525 FRENCH ROAD, UTICA, NEW YORK 13502, ATT: GENERAL COUNSEL.

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EXHIBIT B-3

FORM OF LEGEND FOR GLOBAL SECURITY

Any Global Security authenticated and delivered hereunder shall bear a legend (which would be in addition to any other legends required in the case of a Restricted Security) in substantially the following form:

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE OF A DEPOSITARY OR A SUCCESSOR DEPOSITARY. THIS SECURITY IS NOT EXCHANGEABLE FOR SECURITIES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITARY OR ITS NOMINEE EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE, AND NO TRANSFER OF THIS SECURITY (OTHER THAN A TRANSFER OF THIS SECURITY AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY) MAY BE REGISTERED EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

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

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF CEDE & CO. OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN SECTION 2.16 OF THE INDENTURE.

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EXHIBIT C

Form of Notice of Transfer Pursuant to Registration Statement

CONMED Corporation
525 French Road
Utica, New York 13502
Attention: General Counsel

The Bank of New York
101 Barclay Street, Floor 21-West
New York, New York 10286
Attention: Corporate Trust Administration

Re: CONMED Corporation (the "Company") 2.50% Convertible Senior
Subordinated Notes due 2024 (the "Securities")

Ladies and Gentlemen:

Please be advised that _____ has transferred \$_____ aggregate principal amount of the Securities and _____ shares of the Common Stock, \$0.01 par value per share, of the Company issued on conversion of the Securities ("Stock") pursuant to an effective Shelf Registration Statement on Form S-3 (File No. 333-_____).

We hereby certify that the prospectus delivery requirements, if any, of the Securities Act of 1933 as amended, have been satisfied with respect to the transfer described above and that the above-named beneficial owner of the Securities or Stock is named as a "Selling Security Holder" in the Prospectus dated _____, or in amendments or supplements thereto, and that the aggregate principal amount of the Securities and the number of shares of Stock transferred are [a portion of] the Securities and Stock listed in such Prospectus, as amended or supplemented, opposite such owner's name.

Very truly yours,

(Name)

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CONMED CORPORATION

REGISTRATION RIGHTS AGREEMENT

November 10, 2004

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (the "Agreement") is made and entered into as of November 10, 2004, by and between CONMED Corporation, a New York corporation (the "Company"), and UBS Securities LLC, on behalf of the several Initial Purchasers (collectively, the "Initial Purchasers") named in that certain Purchase Agreement, dated November 5, 2004 (the "Purchase Agreement"), between the Company and the Initial Purchasers.

In order to induce the Initial Purchasers to enter into the Purchase Agreement, the Company has agreed to provide the registration rights set forth in this Agreement. The execution of this Agreement is a condition to the closing under the Purchase Agreement. The terms "herein," "hereof," "hereto," "hereinafter" and similar terms, as used in this Agreement, shall in each case refer to this Agreement as a whole and not to any particular section, paragraph, sentence or other subdivision of this Agreement.

The Company agrees with the Initial Purchasers (i) for their benefit as Initial Purchasers and (ii) for the benefit of the beneficial owners (including the Initial Purchasers) from time to time of the Covered Securities (as defined herein) (each of the foregoing a "Holder" and, together, the "Holders"), as follows:

1. Definitions. Capitalized terms used herein without definition shall have the respective meanings set forth in, as applicable, the Purchase Agreement or the Indenture, dated as of the date hereof, between the Company and the Trustee (the "Indenture"), pursuant to which the Notes are being issued. As used in this Agreement, the following terms shall have the following meanings:

(a) "Additional Filing Deadline Date" has the meaning set forth in Section 2(e) hereof.

(b) "additional interest" has the meaning set forth in Section 2(e) hereof.

(c) "Additional Interest Accrual Period" has the meaning set forth in Section 2(e) hereof.

(d) "Additional Interest Amount" has the meaning set forth in Section 2(e) hereof.

(e) "Additional Interest Payment Date" means each May 15 and November 15 of each year.

(f) "Business Day" means each day on which the New York Stock Exchange is open for trading.

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(g) "Common Stock" means the shares of common stock, \$0.01 par value per share, of the Company and any other shares of capital stock as may constitute "Common Stock" for purposes of the Indenture, including the Underlying Common Stock.

(h) "Covered Security" has the meaning set forth in Section 1(ii) hereof.

(i) "Designated Counsel" has the meaning set forth in Section 3(c) hereof.

(j) "Effectiveness Deadline Date" has the meaning set forth in Section 2(a) hereof.

(k) "Effectiveness Period" means a period that terminates when there are no Registrable Securities outstanding.

(l) "Event" has the meaning set forth in Section 2(e) hereof.

(m) "Event Date" has the meaning set forth in Section 2(e) hereof.

(n) "Filing Deadline Date" has the meaning set forth in Section 2(a) hereof.

(o) "Form S-3" means a Registration Statement on Form S-3 under the Securities Act.

(p) "Holder" has the meaning set forth in the preamble hereof.

(q) "Holder Information" has the meaning set forth in Section 6(b) hereof.

(r) "Indemnified Party" has the meaning set forth in Section 6(c) hereof.

(s) "Indemnifying Party" has the meaning set forth in Section 6(c) hereof.

(t) "Indenture" has the meaning set forth in the preamble hereof.

(u) "Initial Purchasers" has the meaning set forth in the preamble hereof.

(v) "Initial Shelf Registration Statement" has the meaning set forth in Section 2(a) hereof.

(w) "Issue Date" means November 10, 2004.

(x) "Managing Underwriters" has the meaning set forth in Section 8(a) hereof.

(y) "Material Event" has the meaning set forth in Section 3(i) hereof.

(z) "NASD Rules" has the meaning set forth in Section 3(r) hereof.

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(aa) "Notes" means the 2.50% Convertible Senior Subordinated Notes due 2024 of the Company to be purchased pursuant to the Purchase Agreement.

(bb) "Notice and Questionnaire" means a written questionnaire containing substantially the information called for by the Selling Securityholder Notice and Questionnaire attached as Annex A to the Offering Memorandum of the Company, dated November 5, 2004, relating to the Notes.

(cc) "Notice Holder" means, on a given date, any Holder that has delivered a properly completed and executed Notice and Questionnaire to the Company on or prior to such date, provided not all of such Holder's Registrable Securities that have been registered for resale pursuant to a Notice and Questionnaire have been sold in accordance with a Shelf Registration and provided that the information in such Notice and Questionnaire shall not, in any material respect, be incomplete, misleading or incorrect.

(dd) "Proceeding" has the meaning set forth in Section 6(c) hereof.

(ee) "Prospectus" means the prospectus included in any Shelf Registration Statement (including, without limitation, a prospectus that discloses information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 415 under the Act), as amended or supplemented by any amendment or prospectus supplement, including post-effective amendments, and all materials incorporated by reference or deemed to be incorporated by reference in such Prospectus.

(ff) "Purchase Agreement" has the meaning set forth in the preamble hereof.

(gg) "Record Date" means, (i) May 1, with respect to an Additional Interest Payment Date that occurs on May 15 and (ii) November 1, with respect to an Additional Interest Payment Date that occurs on November 15.

(hh) "Record Holder" means, with respect to an Additional Interest Payment Date relating to a Registrable Security for which any Additional Interest Amount has accrued, a Notice Holder that was the holder of record of such Registrable Security at the close of business on the Record Date relating to such Additional Interest Payment Date.

(ii) "Registrable Securities" means the Notes, until such Notes have been converted into the Underlying Common Stock, and, at all times, the Underlying Common Stock and any securities into or for which such Underlying Common Stock has been converted or exchanged, and any security issued with respect thereto upon any stock dividend, split or similar event (each of the foregoing, a "Covered Security") until, in the case of any such security, the earliest of:

(i) the date on which such security has been effectively registered under the Act and disposed of in accordance with the Registration Statement relating thereto;

(ii) the date on which such security may be resold without restriction pursuant to Rule 144(k) or any successor provision thereto; or

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(iii) the date on which such security has been publicly sold pursuant to Rule 144 or any successor provision thereto.

(jj) "Registration Expenses" has the meaning set forth in Section 5 hereof.

(kk) "Registration Statement" means any registration statement, under the Securities Act, of the Company that covers any of the Registrable Securities pursuant to this Agreement, including the Prospectus, amendments and supplements to such registration statement, including post-effective amendments, all exhibits and all materials incorporated by reference or deemed to be incorporated by reference in such registration statement, Prospectus, amendment or supplement.

(ll) "Rule 144" means Rule 144 under the Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission.

(mm) "Shelf Registration Statement" means the Initial Shelf Registration Statement and any Subsequent Shelf Registration Statement.

(nn) "Subsequent Effectiveness Deadline Date" has the meaning set forth in Section 2(d) hereof.

(oo) "Subsequent Shelf Registration Statement" has the meaning set forth in Section 2(b) hereof.

(pp) "Suspension Notice" has the meaning set forth in Section 3(i) hereof.

(qq) "Suspension Period" has the meaning set forth in Section 3(i) hereof.

(rr) "TIA" means the Trust Indenture Act of 1939, as amended.

(ss) "Trustee" means The Bank of New York, the trustee under the Indenture.

(tt) "Underlying Common Stock" means the Common Stock issuable upon conversion of the Notes.

2. Shelf Registration.

(a) The Company shall prepare and file, or cause to be prepared and filed, with the Commission, by the date (the "Filing Deadline Date") that is ninety (90) days after the Issue Date, a Registration Statement (the "Initial Shelf Registration Statement") for an offering to be made on a delayed or continuous basis pursuant to Rule 415 under the Act registering the resale from time to time by Holders thereof of all of the Registrable Securities (or, if registration of Registrable Securities not held by Notice Holders is not permitted by the rules and regulations of the Commission, then registering the resale from time to time by Notice Holders of their Registrable Securities). The Initial Shelf Registration Statement shall be on Form S-3 or another appropriate

form and shall provide for the registration of such Registrable Securities for resale by such Holders in accordance with any method of distribution elected by the Holders. The Company shall use its commercially reasonable best efforts to (i) cause the Initial Shelf

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Registration Statement to become effective under the Act as promptly as practicable but in any event by the date (the "Effectiveness Deadline Date") that is two hundred and ten (210) days after the Issue Date and (ii) keep the Initial Shelf Registration Statement (and any Subsequent Shelf Registration Statement) continuously effective under the Act until the expiration of the Effectiveness Period. At the time the Initial Shelf Registration Statement becomes effective under the Act, each Holder that became a Notice Holder prior to the date of such effectiveness shall be named as a selling securityholder in the Initial Shelf Registration Statement and the related Prospectus in such a manner as to permit such Holder to deliver such Prospectus to purchasers of Registrable Securities in accordance with applicable law.

(b) If any Shelf Registration Statement ceases to be effective under the Act for any reason at any time during the Effectiveness Period, the Company shall use its commercially reasonable best efforts to promptly cause such Shelf Registration Statement to become effective under the Act (including obtaining the prompt withdrawal of any order suspending the effectiveness of such Shelf Registration Statement), and in any event shall, as soon as reasonably practicable, (i) amend such Shelf Registration Statement in a manner reasonably expected to obtain the withdrawal of any order suspending the effectiveness of such Shelf Registration Statement or (ii) file an additional Registration Statement (a "Subsequent Shelf Registration Statement") for an offering to be made on a delayed or continuous basis pursuant to Rule 415 of the Act registering the resale from time to time by Holders thereof of all securities that are Registrable Securities as of the time of such filing (or, if registration of Registrable Securities not held by Notice Holders is not permitted by the rules and regulations of the Commission, then registering the resale from time to time by Notice Holders of their securities that are Registrable Securities as of the time of such filing). If a Subsequent Shelf Registration Statement is filed, the Company shall use its commercially reasonable best efforts to (A) cause such Subsequent Shelf Registration Statement to become effective under the Act as promptly as practicable after such filing, but in no event later than the Subsequent Effectiveness Deadline Date and (B) keep such Subsequent Shelf Registration Statement (or another Subsequent Shelf Registration Statement) continuously effective until the end of the Effectiveness Period. Any such Subsequent Shelf Registration Statement shall be on Form S-3 or another appropriate form and shall provide for the registration of such Registrable Securities for resale by such Holders in accordance with any reasonable method of distribution elected by the Holders.

(c) The Company shall supplement and amend any Shelf Registration Statement if required by the rules, regulations or instructions applicable to the registration form used by the Company for such Shelf Registration Statement, if required by the Act or as reasonably requested by the Initial Purchasers or by the Trustee on behalf of the Holders of the Registrable Securities covered by such Shelf Registration Statement.

(d)

(i) Each Holder of Registrable Securities agrees that, if such Holder wishes to sell Registrable Securities pursuant to a Shelf Registration Statement and related Prospectus, it will do so only in accordance with this Section 2(d) and Section 3(i). Each Holder of Registrable Securities wishing to sell Registrable Securities pursuant to a Shelf Registration Statement and related Prospectus agrees to deliver a completed and executed Notice and Questionnaire to the Company prior to any attempted or actual distribution of

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Registrable Securities under a Shelf Registration Statement. If a Holder becomes a Notice Holder on or after the date the Initial Shelf Registration Statement becomes effective under the Act, the Company shall, as promptly as practicable after the date such Holder became a Notice

Holder, and in any event, subject to clause (B) below, within the later of (x) thirty (30) calendar days after such date or (y) ten (10) Business Days after the expiration of any Suspension Period that either (I) is in effect when such Holder became a Notice Holder or (II) is put into effect within thirty (30) calendar days after the date such Holder became a Notice Holder,

(A) if required by applicable law, file with the Commission a supplement to the related Prospectus or a post-effective amendment to the Shelf Registration Statement or file a Subsequent Shelf Registration Statement and any necessary supplement or amendment to any document incorporated therein by reference and file any other required document with the Commission so that such Notice Holder is named as a selling securityholder in a Shelf Registration Statement and the related Prospectus in such a manner as to permit such Notice Holder to deliver a Prospectus to purchasers of the Registrable Securities in accordance with applicable law; provided, however, that, if a post-effective amendment or a Subsequent Shelf Registration Statement is required by the rules and regulations of the Commission in order to permit resales by such Notice Holder, the Company shall not be required to file more than one (1) post-effective amendment or Subsequent Shelf Registration Statement for such purpose in any ninety (90) day period;

(B) if the Company shall have filed a post-effective amendment to the Shelf Registration Statement or filed a Subsequent Shelf Registration Statement, the Company shall use its commercially reasonable best efforts to cause such post-effective amendment or Subsequent Shelf Registration Statement, as the case may be, to become effective under the Act as promptly as practicable, but in any event by the date (the "Subsequent Effectiveness Deadline Date") that is ninety (90) days after the date such post-effective amendment or Subsequent Shelf Registration Statement, as the case may be, is required by this Section 2(d) to be filed with the Commission;

(C) the Company shall provide such Notice Holder a reasonable number of copies of any documents filed pursuant to clause (A) above;

(D) the Company shall notify such Notice Holder as promptly as practicable after the effectiveness under the Act of any post-effective amendment or Subsequent Shelf Registration Statement filed pursuant to clause (A) above;

(E) if such Holder became a Notice Holder during a Suspension Period, or a Suspension Period is put into effect within thirty (30) calendar days after the date such Holder became a Notice Holder, the Company shall so inform such Notice Holder and shall take the actions set forth in clauses (A), (B), (C) and (D) above within ten (10) Business Days after expiration of such Suspension Period in accordance with Section 3(i); and

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(F) if, under applicable law, the Company has more than one option as to the type or manner of making any such filing, the Company shall make the required filing or filings in the manner or of a type that is reasonably expected to result in the earliest availability of a Prospectus for effecting resales of Registrable Securities.

(ii) Notwithstanding anything contained herein to the contrary, the Company shall be under no obligation to name any Holder that is not a Notice Holder as a selling securityholder in any Shelf Registration Statement or related Prospectus; provided, however, that any Holder that becomes a Notice Holder (regardless of when such Holder became a Notice Holder) shall be named as a selling securityholder in a Shelf Registration Statement or related Prospectus in accordance with the requirements of this Section 2(d) or Section 2(a), as applicable.

(e) The parties hereto agree that the Holders of Registrable Securities

will suffer damages, and that it would not be feasible to ascertain the extent of such damages with precision, if

- (i) the Initial Shelf Registration Statement has not been filed with the Commission on or prior to the Filing Deadline Date;
- (ii) the Initial Shelf Registration Statement has not become effective under the Securities Act on or prior to the Effectiveness Deadline Date;
- (iii) either a supplement to a Prospectus, a post-effective amendment or a Subsequent Shelf Registration Statement is required to be filed with the Commission and fails to be filed with the Commission within the prescribed period and in the manner set forth in Section 2(d) (the date such filing is required to be made being an "Additional Filing Deadline Date") or, in the case of a post-effective amendment or a Subsequent Shelf Registration Statement, such post-effective amendment or Subsequent Registration Statement does not become effective under the Act by the applicable Subsequent Effectiveness Deadline Date;
- (iv) the Initial Shelf Registration Statement or any Subsequent Registration Statement is filed with the Commission and becomes effective under the Act but shall thereafter cease to be effective (without being succeeded by a new Registration Statement that is filed and becomes effective under the Act) or usable for the offer and sale of Registrable Securities in the manner contemplated by this Agreement for a period of time (including any Suspension Period) which shall exceed forty-five (45) days in the aggregate in any three (3) month period or ninety (90) days in the aggregate in any twelve (12) month period; or
- (v) any Registration Statement or amendment thereto, at the time it becomes effective under the Act, or any Prospectus relating thereto, at the time it is

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filed with the Commission or, if later, at the time the Registration Statement to which such Prospectus relates becomes effective under the Act, shall fail to name each Holder as a selling securityholder in such a manner as to permit such Holder to sell its Registrable Securities pursuant to such Registration Statement and Prospectus in accordance with applicable law, which Holder was entitled, pursuant to the terms of this Agreement, to be so named (it being understood that, without limitation, naming such Holder in a manner that permits such Holder to sell only a portion of such Holder's Registrable Securities referenced in such Holder's Notice and Questionnaire shall be deemed to be an "Event" (as defined below) for purposes of this clause (v)).

Each of the events of a type described in any of the foregoing clauses (i) through (v) are individually referred to herein as an "Event," and

(V) the Filing Deadline Date, in the case of clause (i) above,

(W) the Effectiveness Deadline Date, in the case of clause (ii) above,

(X) the Additional Filing Deadline Date or the Subsequent Effectiveness Deadline Date, as the case may be, in the case of clause (iii) above,

(Y) the date on which the duration of the ineffectiveness or unusability of the Shelf Registration Statement exceeds the number of days permitted by clause (iv) above, in the case of clause (iv) above, and

(Z) the date the applicable Registration Statement or amendment thereto shall become effective under the Act, or the date

the applicable Prospectus is filed with the Commission or, if later, the time the Registration Statement to which such Prospectus relates becomes effective under the Securities Act, as the case may be, in the case of clause (v) above, are each herein referred to as an "Event Date." Events shall be deemed to continue until the following dates with respect to the respective types of Events:

(A) the date the Initial Shelf Registration Statement is filed with the Commission, in the case of an Event of the type described in clause (i) above;

(B) the date the Initial Shelf Registration Statement becomes effective under the Securities Act, in the case of an Event of the type described in clause (ii) above;

(C) the date a supplement to a Prospectus, a post-effective amendment or a Subsequent Shelf Registration Statement, whichever is required, is filed with the Commission (in the case of a supplement) or becomes effective under the Act (in the case of a post-effective amendment or a Subsequent Shelf Registration Statement), in the case of an Event of the type described in clause (iii) above;

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(D) the date the Initial Shelf Registration Statement or the Subsequent Shelf Registration Statement, as the case may be, becomes effective and usable again, or the date another Subsequent Shelf Registration Statement is filed with the Commission pursuant to Section 2(b) and becomes effective, in the case of an Event of the type described in clause (iv) above; or

(E) the date a supplement to the Prospectus is filed with the Commission, or the date a post-effective amendment to the Registration Statement becomes effective under the Act, or the date a Subsequent Shelf Registration Statement becomes effective under the Act, which supplement, post-effective amendment or Subsequent Shelf Registration Statement, as the case may be, names as selling securityholders, in such a manner as to permit them to sell their Registrable Securities pursuant to the Registration Statement and Prospectus supplement in accordance with applicable law, all Holders entitled as herein provided to be so named, in the case of an Event of the type described in clause (v) above.

Accordingly, commencing on (and including) any Event Date and ending on (but excluding) the next date on which there are no Events that have occurred and are continuing (an "Additional Interest Accrual Period"), the Company agrees to pay, as additional interest ("additional interest") and not as a penalty, an amount (the "Additional Interest Amount") at the rate described below, payable periodically on each Additional Interest Payment Date to Record Holders of Notes, to the extent of, for each such Additional Interest Payment Date, the unpaid Additional Interest Amount that has accrued to (but excluding) such Additional Interest Payment Date (or, if the Additional Interest Accrual Period shall have ended prior to such Additional Interest Payment Date, the day immediately after the last day of such Additional Interest Accrual Period); provided, however, that any unpaid Additional Interest Amount that has accrued with respect to any Note, or portion thereof, called for Redemption on a Redemption Date, or purchased by the Company pursuant to a Repurchase at Holder's Option or Repurchase Upon Repurchase Event on an Option Purchase Date or Repurchase Date, as the case may be, that is after the close of business on the Record Date relating to such Additional Interest Payment Date and before such Additional Interest Payment Date, shall, in each case, be instead paid, on such Redemption Date, Option Purchase Date or Repurchase Date, as the case may be, to the Holder who submitted such Note or portion thereof for Redemption, Repurchase at Holder's Option or Repurchase Upon Repurchase Event, as the case may be.

The Additional Interest Amount shall accrue at a rate per annum equal to one quarter of one percent (0.25%) for the ninety (90) day period beginning on, and including, Event Date and thereafter at a rate per annum equal to one half of one percent (0.50%) of the aggregate principal amount of the Notes of which such Record Holders of Notes were holders of record at the close of business on the applicable Record Date; provided, however,

that:

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(I) unless there shall be a default in the payment of any Additional Interest Amount, no Additional Interest Amounts shall accrue as to any Note from and after the earlier of (x) the date such Note is no longer a Registrable Security, (y) the date, and to the extent, such Note is converted into cash and, if applicable, shares of Common Stock in accordance with the Indenture and (z) the expiration of the Effectiveness Period;

(II) only those Holders (or their subsequent transferees) failing to be named as selling securityholders in the manner prescribed in Section 2(e)(v) above shall be entitled to receive any Additional Interest Amounts that have accrued solely with respect to an Event of the type described in Section 2(e)(v) above (it being understood that this clause (II) shall not impair any right of any Holder to receive Additional Interest Amounts that have accrued with respect to an Event other than an Event of the type described in Section 2(e)(v) above);

(III) only those Holders (or their subsequent transferees) whose delivery of a Notice and Questionnaire gave rise to the obligation of the Company, pursuant to Section 2(d)(i), to file and, if applicable, make effective under the Act the supplement, post-effective amendment or Subsequent Shelf Registration Statement referred to in Section 2(e)(iii) above shall be entitled to receive any Additional Interest Amounts that have accrued solely with respect to an Event of the type described in Section 2(e)(iii) above (it being understood that this clause (III) shall not impair any right of any Holder to receive Additional Interest Amounts that have accrued with respect to an Event other than an Event of the type described in Section 2(e)(iii) above); and

(IV) if a Note ceases to be outstanding during an Additional Interest Accrual Period for which an Additional Interest Amount would be payable with respect to such Note, then the Additional Interest Amount payable hereunder with respect to such Note shall be prorated on the basis of the number of full days such Note is outstanding during such Additional Interest Amount.

The rate of accrual of the Additional Interest Amount with respect to any period shall not exceed the rate provided for in this Section 2(e) notwithstanding the occurrence of multiple concurrent Events. Following the cure of all Events requiring the payment by the Company of Additional Interest Amounts to the Holders of Notes pursuant to this Section, the accrual of Additional Interest Amounts shall cease (without in any way limiting the effect of any subsequent Event requiring the payment of Additional Interest Amounts by the Company). All installments of Additional Interest shall be paid in the same manner as payments of interest pursuant to the Indenture.

All of the Company's obligations set forth in this Section 2(e) that are outstanding with respect to any Registrable Security at the time such Registrable Security ceases to be a Registrable Security shall survive until such time as all such obligations with respect to such security have been satisfied in full (notwithstanding termination of this Agreement pursuant to Section 9(n)).

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The parties hereto agree that the additional interest provided for in this Section 2(e) constitutes a reasonable estimate of the damages in respect of Covered Securities that may be incurred by Holders by reason of an Event relating to such Covered Securities, including, without limitation, the failure of a Shelf Registration Statement to be filed, become effective under the Act, amended or replaced to include the names of all Notice Holders or available for effecting resales of Registrable Securities in accordance with the provisions hereof and therefore the payment of the additional interest provided for in this Section 2(e) shall

constitute a Holder's sole and exclusive monetary remedy for any such failure (in addition to any rights Holders may have pursuant to Section 6).

If any Additional Interest Amounts are not paid when due, then, to the extent permitted by law, such overdue Additional Interest Amounts, if any, shall bear interest, compounded semi-annually, until paid at the rate of interest payable with respect to overdue amounts on the Notes pursuant to Section 2.12 of the Indenture.

- (f) The Trustee shall be entitled, on behalf of Holders, to seek any available remedy for the enforcement of this Agreement, including for the payment of any Additional Interest Amount.

3. Registration Procedures. In connection with the registration obligations of the Company under Section 2 hereof, the Company shall:

- (a) Prepare and file with the Commission a Shelf Registration Statement on Form S-3 or any other appropriate form under the Act available for the sale of the Registrable Securities by the Holders thereof in accordance with the intended method or methods of distribution thereof, and use its commercially reasonable best efforts to cause each such Shelf Registration Statement to become effective under the Act and remain effective under the Act as provided herein; provided, that, before filing any Shelf Registration Statement or Prospectus or any amendments or supplements thereto with the Commission, the Company shall furnish to the Initial Purchasers and counsel for the Initial Purchasers (or, if applicable, separate counsel for the Record Holders) copies of all such documents proposed to be filed and reflect in each such document when so filed with the Commission such comments as the Initial Purchasers or such counsel reasonably shall propose within two (2) Business Days of the delivery of such copies to the Initial Purchasers and such counsel.

- (b) Prepare and file with the Commission such amendments and post-effective amendments to each Shelf Registration Statement as may be necessary to keep such Shelf Registration Statement or Subsequent Shelf Registration Statement continuously effective until the expiration of the Effectiveness Period; cause the related Prospectus to be supplemented by any required Prospectus supplement and, as so supplemented, to be filed with the Commission pursuant to Rule 424 (or any similar provisions then in force) under the Act; and comply with the provisions of the Act applicable to it with respect to the disposition of all securities covered by each Shelf Registration Statement during the Effectiveness Period in accordance with the intended methods of disposition by the sellers thereof set forth in such Shelf Registration Statement as so amended or such Prospectus as so supplemented.

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- (c) As promptly as practicable, give notice to the Notice Holders, UBS Securities LLC and, if designated, one separate counsel designated in writing to the Company by Holders of a majority of the Registrable Securities ("Designated Counsel"):

- (i) when any Prospectus, Prospectus supplement, Shelf Registration Statement or post-effective amendment to a Shelf Registration Statement has been filed with the Commission and, with respect to a Shelf Registration Statement or any post-effective amendment, when the same has become effective under the Act,

- (ii) of any request, following the effectiveness of a Shelf Registration Statement under the Act, by the Commission or any other governmental authority for amendments or supplements to such Shelf Registration Statement or the related Prospectus or for additional information,

- (iii) of the issuance by the Commission or any other governmental authority of any stop order suspending the effectiveness of any Shelf Registration Statement or the initiation or threatening of any proceedings for that purpose,

- (iv) of the receipt by the Company or its legal counsel of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction or the initiation or threatening of any

proceeding for such purpose,

(v) after the effective date of any Shelf Registration Statement filed with the Commission pursuant to this Agreement, of the occurrence of (but not the nature of or details concerning) a Material Event, and

(vi) of the determination by the Company that a post-effective amendment to a Shelf Registration Statement or a Subsequent Shelf Registration Statement will be filed with the Commission, which notice may, at the discretion of the Company (or as required pursuant to Section 3(i)), state that it constitutes a Suspension Notice, in which event the provisions of Section 3(i) shall apply.

(d) Use its commercially reasonable best efforts to (i) prevent the issuance of, and, if issued, to obtain the withdrawal of, any order suspending the effectiveness of a Shelf Registration Statement and (ii) obtain the lifting of any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction in which they have been qualified for sale, in either case at the earliest possible moment, and provide prompt notice to each Notice Holder, UBS Securities LLC and, if applicable, Designated Counsel, of the withdrawal or lifting of any such order or suspension.

(e) If requested by any Notice Holder, as promptly as practicable incorporate in a Prospectus supplement or a post-effective amendment to a Shelf Registration Statement such information as such Notice Holder (if applicable, based on advice of Designated Counsel) shall determine to be required to be included therein by applicable law and make any required filings of such Prospectus supplement or such post-effective amendment; provided, however, that the

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Company shall not be required to take any actions under this Section 3(e) that are not in compliance with applicable law.

(f) As promptly as practicable, furnish to each Notice Holder and to UBS Securities LLC, without charge, at least one (1) conformed copy of each Shelf Registration Statement and each amendment thereto (but excluding schedules, exhibits and all documents incorporated or deemed to be incorporated therein by reference), and at least one copy of any Prospectus relating to the Registrable Securities.

(g) During the Effectiveness Period, deliver to each Notice Holder, in connection with any sale of Registrable Securities pursuant to a Shelf Registration Statement, without charge, as many copies of the Prospectus or Prospectuses relating to such Registrable Securities and any amendment or supplement thereto as such Notice Holder may reasonably request; and the Company hereby consents (except during such periods that a Suspension Notice is outstanding and has not been revoked) to the use of such Prospectus and each amendment or supplement thereto by each Notice Holder, in connection with any offering and sale of the Registrable Securities covered by such Prospectus or any amendment or supplement thereto in the manner set forth therein.

(h) Prior to any public offering of the Registrable Securities pursuant to a Shelf Registration Statement, use its commercially reasonable best efforts to register or qualify or cooperate with the Notice Holders in connection with the registration or qualification (or exemption from such registration or qualification) of such Registrable Securities for offer and sale under the securities or Blue Sky laws of such jurisdictions within the United States as any Notice Holder reasonably requests in writing (which request may be included in the Notice and Questionnaire); use its commercially reasonable best efforts to keep each such registration or qualification (or exemption therefrom) effective during the Effectiveness Period in connection with such Notice Holder's offer and sale of Registrable Securities pursuant to such registration or qualification (or exemption therefrom) and do any and all other acts or things reasonably necessary or advisable to enable the disposition in such jurisdictions of such Registrable Securities in the manner set forth in the relevant Shelf Registration Statement and the related Prospectus; provided, however, that the Company will not be required to qualify generally to do business in any jurisdiction where it is not then so qualified.

(i) Upon: (A) the issuance by the Commission of a stop order suspending the effectiveness of any Shelf Registration Statement or the initiation of proceedings with respect to any Shelf Registration Statement under Section 8(d) or 8(e) of the Act; (B) the occurrence of any event or the existence of any fact as a result of which any Shelf Registration Statement shall contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, or any Prospectus shall contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; or (C) the occurrence or existence of any pending corporate development (a "Material Event") that, in the reasonable discretion of the Company, makes it appropriate to suspend the availability of any Shelf Registration Statement and the related Prospectus,

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(i) in the case of clause (B) or (C) above, subject to the next sentence, as promptly as reasonably practicable, prepare and file, if necessary pursuant to applicable law, a post-effective amendment to such Shelf Registration Statement or a supplement to such Prospectus or any document incorporated therein by reference or file any other required document that would be incorporated by reference into such Shelf Registration Statement and Prospectus so that such Shelf Registration Statement does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and so that such Prospectus does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, as thereafter delivered to the purchasers of the Registrable Securities being sold thereunder, and, in the case of a post-effective amendment to a Shelf Registration Statement, subject to the next sentence, use its commercially reasonable best efforts to cause it to become effective under the Act as promptly as practicable, and

(ii) give notice to the Notice Holders (and, if applicable, separate counsel for the Notice Holders) that the availability of the Shelf Registration Statement is suspended (a "Suspension Notice") (and, upon receipt of any Suspension Notice, each Notice Holder agrees not to sell any Registrable Securities pursuant to such Shelf Registration Statement until such Notice Holder's receipt of copies of the supplemented or amended Prospectus provided for in clause (i) above or until such Notice Holder is advised in writing by the Company that the Prospectus may be used).

The Company will use its commercially reasonable best efforts to ensure that the use of the Prospectus may be resumed (x) in the case of clause (A) above, as promptly as is practicable, (y) in the case of clause (B) above, as soon as, in the reasonable judgment of the Company, the Shelf Registration Statement does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading and the Prospectus does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and (z) in the case of clause (C) above, as soon as, in the reasonable discretion of the Company, such suspension is no longer appropriate. The period during which the availability of the Shelf Registration Statement and any Prospectus may be suspended (the "Suspension Period") without the Company incurring any obligation to pay additional interest pursuant to Section 2(e) shall not exceed forty-five (45) days in the aggregate in any three (3) month period or ninety (90) days in the aggregate in any twelve (12) month period.

(j) If the Notice Holders retain underwriters to participate in the disposition of Registrable Securities pursuant to a Shelf Registration Statement (or if otherwise reasonably requested by Notice Holders, provided such Notice Holders have been advised in writing by Designated Counsel that such Notice Holders have a due diligence defense to liabilities under the Securities Act in respect of such Shelf Registration Statement) make available for inspection during normal business hours by such Designated Counsel and such underwriters,

all relevant

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financial and other records and pertinent corporate documents and properties of the Company and its subsidiaries, and cause the appropriate officers, directors and employees of the Company and its subsidiaries to make available for inspection during normal business hours all relevant information reasonably requested by such Designated Counsel or such underwriters, in each case as is customary for similar "due diligence" examinations; provided, however, that such persons shall, at the Company's request, first agree in writing with the Company that any information that is reasonably and in good faith designated by the Company in writing as confidential at the time of delivery of such information shall be kept confidential by such persons and shall be used solely for the purposes of exercising rights under this Agreement, unless (i) disclosure of such information is required by court or administrative order or is necessary to respond to inquiries of governmental or regulatory authorities (after reasonable notice is provided to the Company), (ii) disclosure of such information is required by law (including any disclosure requirements pursuant to federal securities laws in connection with the filing of any Shelf Registration Statement or the use of any Prospectus referred to in this Agreement) or necessary to defend or prosecute a claim brought against or by any such persons (e.g., to establish a "due diligence" defense), (iii) such information becomes generally available to the public other than as a result of a disclosure or failure to safeguard by any such person or (iv) such information becomes available to any such person from a source other than the Company and such source is not bound by a confidentiality agreement or is not otherwise under a duty of trust to the Company; provided further, that the foregoing inspection and information gathering shall, to the greatest extent possible, be coordinated on behalf of all the Notice Holders and the other parties entitled thereto by the counsel, referred to in Section 5, for the Holders in connection with Shelf Registration Statements.

(k) Comply with all applicable rules and regulations of the Commission and with the reporting requirements of Section 13(a) or Section 15(d) of the Exchange Act; and make generally available to its securityholders earnings statements (which need not be audited) satisfying the provisions of Section 11(a) of the Act and Rule 158 thereunder.

(l) Cooperate with each Notice Holder to facilitate the timely preparation and delivery of certificates representing Registrable Securities sold pursuant to a Shelf Registration Statement, which certificates shall not bear any restrictive legends, and cause such Registrable Securities to be in such denominations as are permitted by the Indenture and registered in such names as such Notice Holder may request in writing at least two (2) Business Days prior to any sale of such Registrable Securities.

(m) Provide a CUSIP number for all Registrable Securities covered by a Shelf Registration Statement not later than the effective date of the Initial Shelf Registration Statement and provide the Trustee and the transfer agent for the Common Stock with certificates for the Registrable Securities that are in a form eligible for deposit with The Depository Trust Company.

(n) Cooperate and assist in any filings required to be made with the National Association of Securities Dealers, Inc.

(o) If the Notice Holders retain underwriters to participate in the disposition of Registrable Securities pursuant to a Shelf Registration Statement, take all actions and enter into such customary agreements (including, if requested, an underwriting agreement in

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customary form) as are necessary in order to permit disposition of such Registrable Securities and in such connection:

(i) the Company shall make such representations and warranties to the Holders of such Registrable Securities and the underwriters in form, substance and scope as would be customarily made by the Company to underwriters in similar offerings of securities;

(ii) the Company shall obtain customary opinions of counsel of the Company addressed to the underwriters covering the matters that would be customarily covered in opinions requested in sales of securities or underwritten offerings;

(iii) the Company shall obtain "comfort letters" and updates thereof from the Company's independent certified public accountants (and, if necessary, any other independent certified public accountants of any subsidiary of the Company or of any business acquired by the Company for which financial statements are, or are required to be, included in any Shelf Registration Statement) addressed to the underwriters (to the extent consistent with Statement on Auditing Standards No. 72 of the American Institute of Certified Public Accountants), such letters to be in customary form and covering matters of the type that would customarily be covered in "comfort letters" to underwriters in connection with similar underwritten offerings;

(iv) the Company shall cause any such underwriting agreement to contain indemnification provisions and procedures substantially equivalent to the indemnification provisions and procedures set forth in Section 6 hereof with respect to the underwriters and all other parties to be indemnified pursuant to said Section; and

(v) the Company shall deliver such documents and certificates as may be reasonably requested and as are customarily delivered in similar offerings to the holders of a majority of the Registrable Securities being sold and to the Managing Underwriters, if any;

the above to be done in connection with each underwriting agreement as and to the extent required thereunder.

(p) Cause the Indenture to be qualified under the TIA not later than the effective date of the Initial Shelf Registration Statement; and, in connection therewith, cooperate with the Trustee to effect such changes to the Indenture as may be required for the Indenture to be so qualified in accordance with the terms of the TIA and execute, and use its commercially reasonable best efforts to cause the Trustee to execute, all documents as may be required to effect such changes, and all other forms and documents required to be filed with the Commission to enable the Indenture to be so qualified in a timely manner.

(q) Use its commercially reasonable best efforts to cause the Underlying Common Stock to be approved for quotation on the Nasdaq National Market.

(r) In the event that any broker-dealer registered under the Exchange Act shall underwrite any Registrable Securities or participate as a member of an underwriting syndicate or selling group or "participate in a public offering" (within the meaning of the Conduct Rules (the "NASD Rules") of the National Association of Securities Dealers, Inc.) thereof, whether as a Holder of such Registrable Securities or as an underwriter, a placement or

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sales agent or a broker or dealer in respect thereof, or otherwise, the Company will assist such broker-dealer in complying with the requirements of such NASD Rules, including, without limitation, by: (i) if such NASD Rules, including NASD Rule 2720, shall so require, engaging a "qualified independent underwriter" (as defined in NASD Rule 2720) to participate in the preparation of the Shelf Registration Statement relating to such Registrable Securities, to exercise usual standards of due diligence in respect thereof and, if any portion of the offering contemplated by such Shelf Registration Statement is an underwritten offering or is made through a placement or sales agent, to recommend the yield or price, as the case may be, of such Registrable Securities; (ii) indemnifying any such qualified independent underwriter to the extent of the indemnification of underwriters provided in Section 6 hereof; and (iii) providing such information to such broker-dealer as may be required in order for such broker-dealer to comply with the requirements of the NASD Rules.

4. Holder's Obligations. Each Holder agrees, by acquisition of the Registrable Securities, that no Holder of Registrable Securities shall be entitled to sell any of such Registrable Securities pursuant to a Shelf Registration Statement or to receive a Prospectus relating thereto, unless such Holder has furnished the Company with a completed and executed Notice and Questionnaire as required pursuant to Section 2(d) hereof (including the

information required to be included in such Notice and Questionnaire) and the information set forth in the next sentence. Each Notice Holder agrees promptly to furnish to the Company all information required to be disclosed in order to make the information previously furnished to the Company by such Notice Holder not misleading and any other information regarding such Notice Holder and the distribution of such Registrable Securities as the Company may from time to time reasonably request. Any sale of any Registrable Securities by any Holder shall constitute a representation and warranty by such Holder that the information relating to such Holder and its plan of distribution is as set forth in the Prospectus delivered by such Holder in connection with such disposition, that such Prospectus does not as of the time of such sale contain any untrue statement of a material fact relating to or provided by such Holder or its plan of distribution and that such Prospectus does not as of the time of such sale omit to state any material fact relating to or provided by such Holder or its plan of distribution necessary in order to make the statements in such Prospectus, in the light of the circumstances under which they were made, not misleading. If any Notice Holder retains underwriters to participate in the distribution of Registrable Securities pursuant to a Shelf Registration Statement, such Notice Holder agrees to enter into, and use commercially reasonable efforts to cause any such underwriters to enter into, an underwriting agreement in customary form for the type of underwriting contemplated.

5. Registration Expenses. The Company shall bear all fees and expenses incurred in connection with the performance by the Company of its obligations under Section 2 and Section 3 of this Agreement whether or not any of the Shelf Registration Statements are filed or declared effective under the Act. Such fees and expenses ("Registration Expenses") shall include, without limitation, (i) all registration and filing fees and expenses (including, without limitation, fees and expenses (x) with respect to filings required to be made with the National Association of Securities Dealers, Inc. and (y) of compliance with federal securities laws and state securities or Blue Sky laws (including, without limitation, reasonable fees and disbursements of one counsel for the Holders in connection with Blue Sky qualifications of the Registrable Securities under the laws of such jurisdictions as the Notice Holders of a majority of the Registrable Securities being sold pursuant to a Shelf Registration Statement may designate), (ii) all printing expenses

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(including, without limitation, expenses of printing certificates for Registrable Securities in a form eligible for deposit with The Depository Trust Company and printing Prospectuses), (iii) all duplication and mailing expenses relating to copies of any Shelf Registration Statement or Prospectus delivered to any Holders hereunder, (iv) all fees and disbursements of counsel for the Company; and (v) all fees and disbursements of the Trustee and its counsel and of the registrar and transfer agent for the Common Stock.

6. Indemnification, Contribution.

(a) The Company agrees to indemnify, defend and hold harmless each Initial Purchaser, each Holder, each person (a "Controlling Person"), if any, who controls any Initial Purchaser or Holder within the meaning of Section 15 of the Act or Section 20 of the Exchange Act and the respective officers, directors, partners and employees of any Initial Purchaser, the Holders or any Controlling Person, from and against any loss, damage, expense, liability, claim or any actions in respect thereof (including the reasonable cost of investigation) which such Indemnified Party (as defined below) may incur or become subject to under the Act, the Exchange Act or otherwise, insofar as such loss, damage, expense, liability, claim or action arises out of or is based upon any untrue statement or alleged untrue statement of a material fact contained in any Shelf Registration Statement or Prospectus, including any document incorporated by reference therein, or in any amendment or supplement thereto or in any preliminary prospectus, or arises out of or is based upon any omission or alleged omission to state a material fact required to be stated in any Shelf Registration Statement or in any amendment or supplement thereto or necessary to make the statements therein not misleading, or arises out of or is based upon any omission or alleged omission to state a material fact necessary in order to make the statements made in any Prospectus or in any amendment or supplement thereto or in any preliminary prospectus, in the light of the circumstances under which such statements were made, not misleading, and the Company shall reimburse, as incurred, the Indemnified Parties for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, damage, expense, liability, claim or action in respect thereof;

provided, however, that the Company shall not be required to provide any indemnity pursuant to this Section 6(a) in any such case insofar as any such loss, damage, expense, liability, claim or action arises out of or is based upon any untrue statement or omission or alleged untrue statement or omission of a material fact contained in, or omitted from, and in conformity with information furnished in writing by or on behalf of an Initial Purchaser or a Holder to the Company expressly for use in, any Shelf Registration Statement or any Prospectus. This indemnity agreement will be in addition to any liability which the Company may otherwise have to such Indemnified Party.

(b) Each Holder, severally and not jointly, agrees to indemnify, defend and hold harmless the Company, any Controlling Person of the Company and their respective directors, officers and employees from and against any loss, damage, expense, liability, claim or any actions in respect thereof (including the reasonable cost of investigation) which such Indemnified Party may incur or become subject to under the Act, the Exchange Act or otherwise, insofar as such loss, damage, expense, liability, claim or action arises

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out of or is based upon any untrue statement or alleged untrue statement of a material fact contained in, and in conformity with information (the "Holder Information") furnished in writing by or on behalf of such Holder to the Company expressly for use in, any Shelf Registration Statement or Prospectus, or arises out of or is based upon any omission or alleged omission to state a material fact in connection with such Holder Information required to be stated in any Shelf Registration Statement or Prospectus or necessary to make such Holder Information not misleading; and, subject to the limitation set forth in the immediately preceding clause, each Holder shall reimburse, as incurred, the Company for any legal or other expenses reasonably incurred by the Company or any such controlling person in connection with investigating or defending any loss, damage, expense, liability, claim or action in respect thereof. This indemnity agreement will be in addition to any liability which such Holder may otherwise have to the Company or any of its controlling persons. In no event shall the liability of any selling Holder of Registrable Securities hereunder be greater in amount than the dollar amount of the proceeds received by such Holder upon the sale, pursuant to the Shelf Registration Statement, of the Registrable Securities giving rise to such indemnification obligation.

(c) If any action, suit or proceeding (each, a "Proceeding") is brought against any person in respect of which indemnity may be sought pursuant to either Section 6(a) or Section 6(b), such person (the "Indemnified Party") shall promptly notify the person against whom such indemnity may be sought (the "Indemnifying Party") in writing of the institution of such Proceeding and the Indemnifying Party shall assume the defense of such Proceeding; provided, however, that the omission to so notify such Indemnifying Party shall not relieve such Indemnifying Party from any liability which it may have to such Indemnified Party or otherwise. Such Indemnified Party shall have the right to employ its own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless the employment of such counsel shall have been authorized in writing by such Indemnifying Party in connection with the defense of such Proceeding or such Indemnifying Party shall not have employed counsel to have charge of the defense of such Proceeding within a reasonable period of time or such Indemnified Party shall have reasonably concluded upon the written advice of counsel that there may be one or more defenses available to it that are different from, additional to or in conflict with those available to such Indemnifying Party (in which case such Indemnifying Party shall not have the right to direct that portion of the defense of such Proceeding on behalf of the Indemnified Party, but such Indemnifying Party may employ counsel and participate in the defense thereof but the fees and expenses of such counsel shall be at the expense of such Indemnifying Party), in any of which events such reasonable fees and expenses shall be borne by such Indemnifying Party and paid as incurred (it being understood, however, that such Indemnifying Party shall not be liable for the expenses of more than one separate counsel in any one Proceeding or series of related Proceedings together with reasonably necessary local counsel representing the Indemnified Parties who are parties to such action). An Indemnifying Party shall not be liable for any settlement of such Proceeding effected without the written consent of such Indemnifying Party, but if settled with the written consent of such Indemnifying Party, such Indemnifying Party agrees to indemnify and hold harmless an Indemnified Party from and against any loss or liability by reason of such settlement. No Indemnifying Party shall, without the prior written consent of any Indemnified Party, effect any

settlement of any pending or threatened Proceeding in respect of which such Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such Proceeding and does not include an admission of fault or culpability or a failure to act by or on behalf of such Indemnified Party.

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(d) If the indemnification provided for in this Section 6 is unavailable to an Indemnified Party under Section 6(a) or Section 6(b), or insufficient to hold such Indemnified Party harmless, in respect of any losses, damages, expenses, liabilities, claims or actions referred to therein, then each applicable Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such losses, damages, expenses, liabilities, claims or actions (i) in such proportion as is appropriate to reflect the relative benefits received by the Company, on the one hand, and by the Holders or the Initial Purchasers, on the other hand, from the offering of the Registrable Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company, on the one hand, and of the Holders or the Initial Purchasers, on the other hand, in connection with the statements or omissions which resulted in such losses, damages, expenses, liabilities, claims or actions, as well as any other relevant equitable considerations. The relative fault of the Company, on the one hand, and of the Holders or the Initial Purchasers, on the other hand, shall be determined by reference to, among other things, whether the untrue statement or alleged untrue statement of a material fact or omission or alleged omission relates to information supplied by the Company or by the Holders or the Initial Purchasers and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The amount paid or payable by a party as a result of the losses, damages, expenses, liabilities, claims and actions referred to above shall be deemed to include any reasonable legal or other fees or expenses reasonably incurred by such party in connection with investigating or defending any Proceeding.

(e) The Company, the Holders and the Initial Purchasers agree that it would not be just and equitable if contribution pursuant to this Section 6 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in Section 6(d) above. Notwithstanding the provisions of this Section 6, no Holder shall be required to contribute any amount in excess of the amount by which the total price at which the Registrable Securities giving rise to such contribution obligation and sold by such Holder were offered to the public exceeds the amount of any damages which it has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Holders' respective obligations to contribute pursuant to this Section 6 are several in proportion to the respective amount of Registrable Securities they have sold pursuant to a Shelf Registration Statement, and not joint. The remedies provided for in this Section 6 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

(f) The indemnity and contribution provisions contained in this Section 6 shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of any Holder or the Initial Purchasers or any person controlling any Holder or Initial Purchaser, or the Company, or the Company's officers or directors or any person controlling the Company and (iii) the sale of any Registrable Security by any Holder.

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7. Information Requirements. The Company covenants that, if at any time before the end of the Effectiveness Period it is not subject to the reporting requirements of the Exchange Act, it will cooperate with any Holder of Registrable Securities and take such further action as any Holder of Registrable

Securities may reasonably request in writing (including, without limitation, making such representations as any such Holder may reasonably request), all to the extent required from time to time to enable such Holder to sell Registrable Securities without registration under the Act within the limitations of the exemptions provided by Rule 144, Rule 144A and Regulation S under the Act and customarily taken in connection with sales pursuant to such exemptions. Upon the written request of any Holder, the Company shall deliver to such Holder a written statement as to whether the Company has complied with the reporting requirements of the Exchange Act, unless such a statement has been included in the Company's most recent report filed with the Commission pursuant to Section 13 or Section 15(d) of Exchange Act.

8. Underwritten Registrations.

(a) If any of the Registrable Securities covered by the Shelf Registration Statement are to be offered and sold in an underwritten offering, the investment banker or investment bankers and manager or managers that will administer the offering ("Managing Underwriters") shall be selected by the holders of a majority of such Registrable Securities to be included in such offering with the consent of the Company, which shall not be unreasonably withheld.

(b) No person (including, without limitation, a Holder or underwriter) may participate in any underwritten registration hereunder unless such person (i) agrees to sell such person's Registrable Securities on the basis reasonably provided in any underwriting arrangements approved by the persons entitled hereunder to approve such arrangements and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements.

9. Miscellaneous.

(a) Remedies. The Company acknowledges and agrees that any failure by the Company to comply with its obligations under this Agreement in such circumstances where additional interest is not payable pursuant to Section 2(e) (including, without limitation, Events occurring with respect to Underlying Common Stock) may result in material irreparable injury to the Initial Purchasers and the Holders for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of any such failure, any Initial Purchaser or Holder may obtain such relief as may be required to specifically enforce the Company's obligations under this Agreement, and, in such circumstances, the Company agrees to waive the defense in any action for specific performance that a remedy at law would be adequate.

(b) No Conflicting Agreements. The Company is not, as of the date hereof, a party to, nor shall it, on or after the date of this Agreement, enter into, any agreement with respect to the Company's securities that conflicts with the rights granted to the Holders in this Agreement. The Company represents and warrants that the rights granted to the

Holders hereunder do not in any way conflict with the rights granted to the holders of the Company's securities under any other agreements. The Company will not take any action with respect to the Registrable Securities which would materially adversely affect the ability of any of the Holders to include such Registrable Securities in a registration undertaken pursuant to this Agreement, and after the date hereof, the Company shall not grant to any of its securityholders (other than Holders in such capacity) the right to include any of the Company's securities in any Shelf Registration Statement filed pursuant to this Agreement.

(c) Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the Company has obtained the written consent of Holders of a majority of outstanding Registrable Securities; provided, however, that, no consent is necessary from any of the Holders in the event that this Agreement is amended, modified or supplemented for

the purpose of curing any ambiguity, defect or inconsistency that does not materially adversely affect the rights of any Holders. Notwithstanding the foregoing, a waiver or consent to depart from the provisions hereof with respect to a matter that relates exclusively to the rights of Holders of Registrable Securities whose securities are being sold pursuant to a Shelf Registration Statement and that does not directly or indirectly affect the rights of other Holders of Registrable Securities may be given by Holders of at least a majority of the Registrable Securities being sold by such Holders pursuant to such Shelf Registration Statement; provided, however, that the provisions of this sentence may not be amended, modified, or supplemented except in accordance with the provisions of the immediately preceding sentence. Each Holder of Registrable Securities outstanding at the time of any such amendment, modification, supplement, waiver or consent or thereafter shall be bound by any such amendment, modification, supplement, waiver or consent effected pursuant to this Section 9(c), whether or not any notice, writing or marking indicating such amendment, modification, supplement, waiver or consent appears on the Registrable Securities or is delivered to such Holder.

(d) Notices. All notices and other communications provided for or permitted hereunder shall be made in writing by hand delivery, by facsimile, by courier guaranteeing overnight delivery or by first-class mail, return receipt requested, and shall be deemed given (A) when made, if made by hand delivery, (B) upon confirmation, if made by facsimile, (C) one (1) Business Day after being deposited with such courier, if made by overnight courier or (D) on the date indicated on the notice of receipt, if made by first-class mail, to the parties as follows:

- (i) if to a Holder, at the most current address given by such Holder to the Company in a Notice and Questionnaire or any amendment thereto;

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- (ii) if to the Company, to:

CONMED Corporation
525 French Road
Utica, New York 13502
Attention: General Counsel
Facsimile No.: (315) 793-8929

- (iii) if to the Initial Purchasers, to:

UBS Securities LLC
299 Park Avenue
New York, New York 10171
Attention: Syndicate Department
Telecopy No.: (212) 713-1205

with a copy to (for informational purposes only):

UBS Securities LLC
299 Park Avenue
New York, New York 10171
Attention: Legal Department
Telecopy No.: (212) 821-4042

and

UBS Securities LLC
677 Washington Boulevard
Stamford, Connecticut 06901
Attention: Syndicate Department
Telecopy No.: (203) 719-0683

or to such other address as such person may have furnished to the other persons identified in this Section 9(d) in writing in accordance herewith.

(e) Majority of Registrable Securities. For purposes of determining what constitutes holders of a majority of Registrable Securities, as referred to in this Agreement, a majority shall constitute a majority in aggregate principal amount of Registrable Securities, treating each relevant holder of shares of

Underlying Common Stock of the Notes as a holder of the aggregate principal amount of Notes in respect of which such Common Stock was issued.

(f) Approval of Holders. Whenever the consent or approval of Holders of a specified percentage of Registrable Securities is required hereunder, Registrable Securities held by the Company or its "affiliates" (as such term is defined in Rule 405 under the Act) (other than the Initial Purchasers or subsequent Holders of Registrable Securities, if the Initial Purchasers or such subsequent Holders are deemed to be such affiliates solely by reason of their holdings of

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such Registrable Securities) shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage.

(g) Third Party Beneficiaries. Subject to their compliance with their obligations hereunder, the Holders shall be third party beneficiaries to the agreements made hereunder between the Company, on the one hand, and the Initial Purchasers, on the other hand, and shall have the right to enforce such agreements directly to the extent they may deem such enforcement necessary or advisable to protect their rights or the rights of Holders hereunder. The Trustee shall be entitled to the rights granted to it pursuant to this Agreement.

(h) Successors and Assigns. Any person who purchases any Covered Security from any Initial Purchaser or from any Holder shall be deemed, for purposes of this Agreement, to be an assignee of such Initial Purchaser or such Holder, as the case may be. This Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of each of the parties hereto and shall inure to the benefit of and be binding upon each Holder of any Covered Security.

(i) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be original and all of which taken together shall constitute one and the same agreement.

(j) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(k) Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

(l) Severability. If any term, provision, covenant or restriction of this Agreement is held to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, and the parties hereto shall use their commercially reasonable best efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction, it being intended that all of the rights and privileges of the parties shall be enforceable to the fullest extent permitted by law.

(m) Entire Agreement. This Agreement is intended by the parties hereto as a final expression of their agreement and is intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein and the registration rights granted by the Company with respect to the Registrable Securities. Except as provided in the Purchase Agreement, there are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein, with respect to the registration rights granted by the Company with respect to the Registrable Securities. This Agreement supersedes all prior agreements and undertakings among the parties with respect to

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such registration rights. No party hereto shall have any rights, duties or obligations other than those specifically set forth in this Agreement.

(n) Termination. This Agreement and the obligations of the parties hereunder shall terminate upon the end of the Effectiveness Period, except for any liabilities or obligations under Section 4, Section 5 or Section 6 hereof and the obligations to make payments of and provide for additional interest under Section 2(e) hereof to the extent such additional interest accrues prior to the end of the Effectiveness Period and to the extent any overdue additional interest accrues in accordance with the last paragraph of such Section 2(e), each of which shall remain in effect in accordance with its terms.

[The Remainder of This Page Intentionally Left Blank; Signature Page Follows]

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

Very truly yours,

CONMED CORPORATION

By: /s/ Daniel S. Jonas

Name: Daniel S. Jonas

Title: VP Legal Affairs, General Counsel

Accepted and agreed to as of the date first above written, on behalf of itself and the other several Initial Purchasers:

UBS SECURITIES LLC

By: /s/ David Gately

Name: David Gately

Title: Managing Director

By: /s/ Jill Kosner

Name: Jill Kosner

Title: Director

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AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

November 12, 2004

Mr. Joseph J. Corasanti, Esq.
Conmed Corporation
525 French Road
Utica, New York 13502

Dear Mr. Corasanti:

In consideration of the mutual promises herein contained, CONMED Corporation, a New York corporation (hereinafter the "Company"), and you hereby agree that you will be employed by the Company on the following terms and conditions:

1. Employment.

The Company hereby agrees that you will be employed to serve as the President and Chief Operating Officer of the Company during the term of employment set forth in Section 2 of this Agreement. You hereby agree to serve as President and Chief Operating Officer of the Company during such term of employment.

2. Term of Employment.

Subject to the provisions for early termination pursuant to Section 5 of the Agreement, your term of employment under this Agreement shall be for a period beginning January 1, 2000 and ending December 31, 2009.

3. Duties During Term of Employment.

During your term of employment under this Agreement, you shall devote your full business time and attention and all reasonable efforts to the affairs of the Company and its subsidiaries and affiliates and shall perform such executive and administrative duties for the Company and subsidiaries and affiliates as you may be called upon to perform, from time to time, by the Board of Directors of the Company (the "Board").

4. Compensation and Benefits.

(a) Base Annual Salary.

The Company shall pay to you during your term of employment under this Agreement a base annual salary at the rate of at least \$200,000 per year, payable in equal weekly installments during each year of your term of employment, provided that after the date hereof such annual base salary shall be at a rate of at least \$375,000. It is understood

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that the Board of Directors of the Company may in its discretion review from time to time your base annual salary and in its discretion may from time to time increase your base annual salary and/or grant bonuses if it determines that circumstances justify any such increase and/or bonuses.

(b) Deferred Compensation

Existing Arrangement. In addition to your base annual salary, the Company

shall establish a deferred compensation account on your behalf, which shall be credited with the amount of \$100,000 on December 31, 2000 and on each subsequent December 31 during the term of this Agreement through December 31, 2004. This account shall also be credited on December 31, 2001 and each December 31 thereafter with an amount equal to interest on the amount outstanding in the account on the day prior to such December 31 at the rate of 10% per annum. Commencing within 60 days after retirement or termination of employment, the Company shall pay you, for 120 months, an amount equal to the amount then outstanding in the deferred compensation account divided by the number of payments remaining to be made. The account shall be reduced by the amount of any payments and shall continue to be credited with interest annually on the amount outstanding in the account. You may elect to receive payments over a period of less than 120 months (including a lump sum), provided that your election is made prior to the beginning of the year before the year of your retirement or termination of employment. In the event of your death the Company shall make payments to your estate. Such payments to your estate shall be made in the same manner as specified above, except that such payments shall commence within one month of your death. You understand and agree, and the Company agrees, that the deferred compensation account is solely a bookkeeping account, does not represent a segregated amount of money for your benefit, and that you shall not have by virtue of this Agreement a security interest in the foregoing account or in any assets or funds of the Company.

Future Arrangement. In addition to your existing deferred compensation account above, the Company shall establish another deferred compensation account on your behalf, which shall be credited with the amount of \$125,000 on December 31, 2005 and on each subsequent December 31 during the term of this Agreement. This account shall also be credited on December 31, 2005 and each December 31 thereafter with an amount equal to interest on the amount outstanding in the account on the day prior to such December 31 at a rate equal to the prime rate of JPMorgan Chase on such date plus 2%. Commencing six months and one day after retirement or termination of employment, the Company shall pay you, for 120 months, an amount equal to the amount then outstanding in the deferred compensation account divided by the number of payments remaining to be made. The account shall be reduced by the amount of any payments and shall continue to be credited with interest annually on the amount outstanding in the account. In the event of your death the Company shall make payments to your estate. Such payments to your estate shall be made in the same manner as specified above, except that such payments shall commence within one month of your death. You understand and agree, and the Company agrees, that the deferred compensation account is solely a bookkeeping account, does not represent a

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Segregated amount of money for your benefit, and that you shall not have by virtue of this Agreement a security interest in the foregoing account or in any assets or funds of the Company.

(c) Benefit Plans.

You also shall be entitled to participate in all life and health insurance plans, pension plans and other plans, benefits or bonus arrangements provided by the Company from time to time during your term of employment under this Agreement and made available by the Company to its executives generally, if and to the extent that you are eligible to participate in accordance with the provisions of any such plan or for such benefits. Specifically, you shall be entitled to participate in the Company's stock option plans and shall continue to be entitled to participate in the Company's pension and disability plans and be provided with reimbursement of club memberships and automobile expenses as under present practices. In no event shall the benefits provided you be less, in the aggregate, than those provided you under present plans and practices. In addition, for each calendar year commencing after the date hereof, the Company shall pay you an amount, which after the payment of any applicable taxes on such payment, is sufficient for you to purchase and maintain (i) \$2.0 million of whole life insurance coverage and (ii) the insurance policies referred to on Exhibit A hereto. Life and health insurance benefits (including the payment to purchase term life insurance coverage) shall continue for you and your wife during the terms of your lives. In addition, the Company shall reimburse you for your reasonable personal legal and accounting expenses related to your estate

and tax planning and to preparing and filing your tax returns.

5. Early Termination of the Term of Employment.

(a) Early Termination Other Than for Just Cause.

If at any time during your term of employment under this Agreement, the Board of Directors of the Company shall fail to reelect you as the President and Chief Operating Officer of the Company, shall remove you from such office, shall substantially reduce your duties and responsibilities or shall terminate your employment under this Agreement, in each case other than for "just cause" as such term is defined in paragraph (c) of this Section 5, such event shall be deemed an early termination other than for just cause. After an early termination other than for just cause, you shall have no obligations under this Agreement (other than your obligations under Sections 7 and 8 of this Agreement), you shall have no obligation to seek other employment in mitigation of damages in respect of any period following the date of such early termination and you shall be entitled to receive from the Company an immediate lump sum payment equal to the result of multiplying (i) the greater of (A) three or (B) the number of years and fractions thereof (rounded to the nearest month) then remaining in the term of employment by (ii) the sum of (A) your base annual salary to which you are then entitled and (B) an amount equal to the average of the bonuses, deferred compensation and incentive compensation earned by you in each of the Company's three fiscal years prior to the date of your early termination. If such lump sum payment is

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not made in full within ten days of such early termination other than for just cause, the Company shall also pay you interest on the amount of the remaining payment at the prime rate of JPMorgan Chase, in effect from time to time.

In addition, in the event of your early termination other than for just cause, you shall be entitled to continued coverage under the benefit plans of the Company specified in paragraph (c) of Section 4 of this Agreement as if such early termination had not occurred, for a period equal to the greater of (x) three years from the date of such early termination or (y) the remainder of the term of employment. You shall also be entitled to receive payment of the deferred compensation account as specified in paragraph (b) of Section 4 of this Agreement, and you or your estate shall be entitled to receive from the Company all payments and benefits required pursuant to the provisions of Section 6 of this Agreement, as if such early termination had not occurred.

(b) Early Termination for Just Cause.

If at any time during your term of employment under this Agreement, the Board of Directors of the Company shall fail to reelect you as the Chief Operating Officer of the Company, shall remove you from such office, shall substantially reduce your duties and responsibilities or shall terminate your employment under this Agreement, in each case for "just cause" as such term is defined in paragraph (c) of this Section 5, subject to the provisions of Section 6 for additional payments and benefits in the event of your death or permanent disability (as such term is defined in Section 6), the Company shall only be obligated to pay you (i) your then base salary and to provide continued coverage under the benefit plans of the Company specified in paragraph (c) of Section 4 of this Agreement through the end of the month during which such early termination occurs, and (ii) the deferred compensation account as specified in paragraph (b) of Section 4 of this Agreement, plus an additional amount of deferred compensation equal to a pro rata amount of such deferred compensation under paragraph (b) of Section 4 for the year of your termination.

(c) Definition of Just Cause.

"Just cause" under this Agreement shall mean a breach by you of your obligations under this Agreement, willful misconduct, dishonesty, conviction of a crime (other than traffic or other similar violations or minor misdemeanors),

intoxication on the job or excessive absenteeism not related to illness.

6. Death or Disability.

If before the expiration date of your term of employment under this Agreement you shall die, or become permanently disabled, the Company shall be obligated to pay (in the case of death) to your estate, or (in the case of such disability) to you or your representative, 100% of your annual base salary to which you are then entitled to the end of such term of employment. In addition, in the event of such disability, you shall continue to fully

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participate in all benefit plans of the Company specified in paragraph (c) of Section 4 of this Agreement to the expiration date of such term of employment, and in the case of life and health insurance benefits (including the payment to purchase term life insurance coverage), the benefits will continue for you and your wife during the terms of your lives. For purposes of this Agreement, "permanent disability" means inability to perform the services required under this Agreement due to physical or mental disability, which continues for 180 consecutive days. Evidence of such disability shall be certified by a physician acceptable to both the Company and you.

7. Non-competition.

It is agreed that during your term of employment under this Agreement and for a period of two years thereafter you will not, without the prior written approval of the Board of Directors of the Company, become an officer, employee, agent, limited or general partner, director, member or shareholder of any business enterprise in competition with the Company or any subsidiary of the Company, as the business of the Company or any such subsidiary may be constituted during such term of employment, or at the expiration of such term or period. Notwithstanding the preceding sentence, you shall not be prohibited from owning less than five (5%) percent of the outstanding equity of any publicly traded business enterprise.

8. Non-disclosure.

You shall not, at any time during or following your term of employment under this Agreement, disclose or use, except in the course of your employment or consultation arrangements with the Company in the pursuit of the business or interests of the Company or any of its subsidiaries or affiliates, any confidential information or proprietary data of the Company or any of its subsidiaries or affiliates, whether such information or proprietary data is in your memory or memorialized in writing or other physical terms.

9. Conflicts.

Any paragraph, sentence, phrase or other provision of this Agreement which is in conflict with any applicable statute, rule or other law shall be deemed, if possible, to be modified or altered to conform thereto or, if not possible, to be omitted herefrom. The invalidity of any portion of this Agreement shall not affect the force and effect of the remaining valid portions hereof. Section and paragraph headings are included in this Agreement for convenience only and are not intended to affect in any way the meaning or interpretation of this Agreement.

10. Governing Law.

This Agreement is governed by and is to be construed and enforced in accordance with the laws of the State of New York.

Joseph J. Corasanti, Esq.

11. Miscellaneous.

This Agreement amends and restates in its entirety the Employment Agreement between the Company and you dated May 2, 2000. This Agreement constitutes the entire understanding between you and the Company relating to your employment with the Company and supersedes and cancels all prior written and oral understandings and agreements with respect to such matters, other than with respect to (1) the deferred compensation account under Section 4(b) and (2) the Change in Control Severance Agreement between the Company and you dated May 3, 2000 (the "CICSA"). Both parties agree that although you are entitled to receive payments and benefits under both this Agreement and the CICSA, in the event of your termination of employment you shall receive severance payments and benefits under either Section 5 of this Agreement or Section 4 of the CICSA depending upon which section provides you with more favorable payments and benefits (but you shall not receive payments and benefits under both such sections). This Agreement shall be binding upon, and shall inure to the benefit of you and the Company, your heirs, executors and administrators and the Company's successors.

If the foregoing correctly sets forth the understanding between you and the Company, please execute and return the enclosed copy of this letter.

CONMED CORPORATION

By: /s/ Daniel S. Jonas, Esq.

Daniel S. Jonas, Esq.
Vice President - Legal Affairs
General Counsel

Agreed and accepted as of the date first above written:

/s/ Joseph J. Corasanti

Joseph J. Corasanti

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Exhibit A
Scheduled Insurance Policies

Policy Number	Carrier	Current Estimated Premium

11-86-228	MassMutual	\$14,000
11-905-063	Northwest	\$22,000

[LOGO] CONMED(R)

CORPORATION

NEWS RELEASE

CONTACT:
CONMED Corporation
Robert Shallish, Jr.
Chief Financial Officer
315-624-3206

FOR RELEASE: 9:15 AM Eastern November 11, 2004

CONMED CORPORATION ANNOUNCES ISSUANCE OF
2.50% CONVERTIBLE SENIOR SUBORDINATED NOTES

Utica, New York, November 11, 2004 ----- CONMED Corporation (Nasdaq: CNMD) announced today that it has completed its offering, in a private placement, of \$150 million in aggregate principal amount of 2.50% convertible senior subordinated notes due 2024. The issuance includes the full exercise of the initial purchasers' option to purchase up to an additional \$25 million of the 2.50% convertible senior subordinated notes.

The convertible notes are subordinated unsecured obligations of the Company. The notes will be convertible into cash and, if applicable, shares of the Company's common stock based on an initial conversion rate, subject to adjustment, of 26.1849 shares per \$1,000 principal amount of notes (which represents an initial conversion price of approximately \$38.19 per share), under certain circumstances. In general, upon conversion, the holder of each note would receive the conversion value of the note payable in cash up to the principal amount of the note and common stock of the Company for the note's conversion value in excess of the principal amount.

The convertible notes will mature on November 15, 2024 and will not be redeemable by the Company prior to November 15, 2011. The holders of the convertible notes will be able to require the Company to repurchase some or all of the convertible notes on November 15, 2011, 2014 and 2019.

The Company intends to use approximately \$115 million of the net proceeds from the offering to repay borrowings under its senior credit agreement and has used approximately \$30 million of the remaining net proceeds to repurchase its common stock in privately negotiated transactions.

The convertible notes have been offered and sold only to qualified institutional buyers in accordance with Rule 144A under the Securities Act of 1933, as amended. The convertible notes and the underlying common stock issuable upon conversion have not been registered under the Securities Act or any applicable state securities laws and may not be offered or sold in the United States, absent registration or an applicable exemption from such registration requirements. This announcement is neither an offer to sell nor a solicitation of an offer to buy any of the securities.

Please note that this press release contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934 that represent the Company's current expectations and beliefs, including the amount of borrowings under the Company's senior credit agreement to be repaid.