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) March 15, 2006

ALBANY INTERNATIONAL CORP.

(Exact name of registrant as specified in its charter)

Delaware	0-16214	14-0462060
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

1373 Broadway, Albany, New York	12204
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (518) 445-2200

None

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

|_| 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 240.13a-4(c))

Explanatory Notes:

In connection with the transactions described in Albany International Corp.'s (the "Company") Form 8-K dated March 15, 2006, namely, the issuance of $150 million aggregate principal amount of 2.25% Convertible Senior Notes due 2026, the convertible note hedge transactions, the warrant transactions and the registration rights agreement, the Company is hereby furnishing the exhibits listed below in Item 9.01(d).

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits. The following exhibits are being furnished herewith:

4.1 Indenture, dated as of March 13, 2006, between the Company and JPMorgan Chase Bank, N.A.

4.2 Form of 2.25% convertible senior subordinated note due 2026

4.3 Registration Rights Agreement, dated as of March 13, 2006, between J.P. Morgan Securities Inc., Banc of America Securities LLC, other initial purchasers and the Company

10.1 Convertible note hedge transaction confirmations, dated as of March 7, 2006, by and between JPMorgan Chase Bank, N.A., Bank of America, N.A. and the Company

10.2 Warrant transaction confirmations, dated as of March 7, 2006, by and between JPMorgan Chase Bank, N.A., Bank of America, N.A. and the Company

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 hereunto duly authorized.

ALBANY INTERNATIONAL CORP.
By: /s/ Michael C. Nahl

Name: Michael C. Nahl
Title: Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Date: March 15, 2006

Index to Exhibits

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ALBANY INTERNATIONAL CORP.

as Issuer

AND

JPMORGAN CHASE BANK, N.A.

as Trustee

INDENTURE

Dated as of March 13, 2006

2.25% Convertible Senior Notes due 2026

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INDENTURE dated as of March 13, 2006 between Albany International Corp., a Delaware corporation, as issuer (hereinafter sometimes called the "Company", as more fully set forth in Section 1.01), and JPMorgan Chase Bank, N.A., a national banking association organized under the laws of the United States, as trustee (hereinafter sometimes called the "Trustee", as more fully set forth in Section 1.01).

W I T N E S S E T H:

WHEREAS, for its lawful corporate purposes, the Company has duly authorized the issue of its 2.25% Convertible Senior Notes due 2026 (hereinafter sometimes called the "Notes"), initially in an aggregate principal amount not to exceed $150,000,000 (or $180,000,000 if the Initial Purchasers exercise their option to purchase additional Notes in full as set forth in the Purchase Agreement), and in order to provide the terms and conditions upon which the Notes are to be authenticated, issued and delivered, the Company has duly authorized the execution and delivery of this Indenture; and

WHEREAS, the Form of Note, the certificate of authentication to be borne by each Note, the Form of Notice of Conversion, the Form of Fundamental Change Repurchase Notice, the Form of Repurchase Notice and the Form of Assignment and Transfer to be borne by the Notes are to be substantially in the forms hereinafter provided for; and

WHEREAS, all acts and things necessary to make the Notes, when executed by the Company and authenticated and delivered by the Trustee or a duly authorized authenticating agent, as in this Indenture provided, the valid, binding and legal obligations of the Company, and to constitute these presents a valid agreement according to its terms, have been done and performed, and the execution of this Indenture and the issue hereunder of the Notes have in all respects been duly authorized.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That in order to declare the terms and conditions upon which the Notes are, and are to be, authenticated, issued and delivered, and in consideration of the premises and of the purchase and acceptance of the Notes by the holders thereof, the Company covenants and agrees with the Trustee for the equal and proportionate benefit of the respective holders from time to time of the Notes (except as otherwise provided below), as follows:

ARTICLE 1
DEFINITIONS

Section 1.01. Definitions. The terms defined in this Section 1.01 (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Indenture and of any indenture supplemental hereto shall have the respective meanings specified in this Section 1.01. All other terms used in this Indenture that are defined in the Trust Indenture Act or that are by reference therein defined in the Securities Act (except as herein otherwise expressly provided or unless the context otherwise requires) shall have the meanings assigned to such terms in said Trust Indenture Act and in said Securities Act as in force at the date of the execution of this Indenture. The words "herein," "hereof," "hereunder," and words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision. The terms defined in this Article include the plural as well as the singular.

"Acquiror Stock Conversion Right Adjustment" shall have the meaning specified in Section 15.03(c).

"Additional Interest" means all Additional Interest as defined in the Registration Rights Agreement.

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

"Applicable Increase" shall have the meaning specified in Section 15.03.

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

"Business Day" means each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which the banking institutions in The City of New York are authorized or obligated by law or executive order to close or be closed.

"Capital Stock" means, for any entity, any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) stock issued by that entity.

"Cash Settlement Averaging Period" means, with respect to any Note surrendered for conversion, the twenty-five consecutive Trading Day period beginning on and including the second Trading Day after the relevant holder has delivered a Notice of Conversion with respect to such Note to the Conversion Agent; provided that with respect to any Notice of Conversion received after the date of issuance of a notice of redemption as described under Section 3.03 and prior to the applicable Redemption Date, the "Cash Settlement Averaging Period" shall be the twenty-five consecutive Trading Days beginning on and including the twenty-eighth Scheduled Trading Day prior to the applicable Redemption Date.

"close of business" means 5:00 p.m. (New York City time).

"Commission" means the Securities and Exchange Commission.

"Common Equity" of any Person means Capital Stock of such Person that is generally entitled to (1) vote in the election of directors of such Person or (2) if such Person is not a corporation, vote or otherwise participate in the selection of the governing body, partners, managers or others that will control the management or policies of such Person.

"Common Stock" means, subject to Section 15.06, Section 15.03(c) and Section 15.03(d), shares of Class A common stock of the Company, par value $0.001 per share, at the date of this Indenture or shares of any class or classes resulting from any reclassification or reclassifications thereof and that have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company and that are not subject to redemption by the Company; provided that if at any time there shall be more than one such resulting class, the shares of each such class then so issuable shall be substantially in the proportion that the total number of shares of such class resulting from all such reclassifications bears to the total number of shares of all such classes resulting from all such reclassifications.

"Company" means Albany International Corp., a Delaware corporation, and subject to the provisions of Article 12, shall include its successors and assigns.

"Company Notice" shall have the meaning specified in Section 16.01(a).

"Company Order" means a written order of the Company, signed by (a) the Company's Chief Executive Officer, President, Executive or Senior Vice President, Managing Director or any Vice President (whether or not designated by a number or numbers or word or words added before or after the title "Vice President") and (b) any such other officer designated in clause (a) of this definition or the Company's Treasurer or Assistant Treasurer or Secretary or any Assistant Secretary, and delivered to the Trustee.

"Conversion Agent" shall have the meaning specified in Section 5.02.

"Conversion Date" shall have the meaning specified in Section 15.02(e).

"Conversion Obligation" shall have the meaning specified in Section 15.01(a).

"Conversion Price" means as of any date $1,000 divided by the Conversion Rate as of such date.

"Conversion Rate" shall have the meaning specified in Section 15.01(a).

"Corporate Trust Office" or other similar term means the office of the Trustee at which at any particular time its corporate trust business relating to this Indenture shall be principally administered, which office is, at the date as of which this Indenture is dated, located at JPMorgan Chase Bank, N.A., 4 New York Plaza (15th Floor), New York, New York, 10004, Attention: Worldwide Securities Services.

"Custodian" means JPMorgan Chase Bank, N.A., as custodian for The Depository Trust Company, with respect to the Notes in global form, or any successor entity thereto.

"Daily Conversion Value" means, for each of the 25 consecutive Trading Days during the Cash Settlement Averaging Period, one-twenty-fifth (1/25th) of the product of (a) the applicable Conversion Rate on such Trading Day (subject to increase, if any, pursuant to Section 15.03) and (b) the Daily VWAP of the Common Stock (or the consideration into which the Common Stock has been

converted in connection with certain corporate transactions contemplated hereby) on such Trading Day.

"Daily Settlement Amount," for each of the 25 Trading Days during the Cash Settlement Averaging Period, shall consist of:

(i) cash equal to the lesser of $40 and the Daily Conversion Value relating to such Trading Day; and

(ii) to the extent such Daily Conversion Value exceeds $40, a number of shares of Common Stock equal to (A) the difference between such Daily Conversion Value and $40, divided by (B) the Daily VWAP of the Common Stock (or the consideration into which the Common Stock has been converted in connection with certain corporate transactions contemplated hereby) for such Trading Day.

"Daily VWAP" for the Common Stock means, for each of the twenty-five consecutive Trading Days during the Cash Settlement Averaging Period, the per share volume-weighted average price as displayed under the heading "Bloomberg VWAP" on Bloomberg page "AIN {equity} AQR" (or any successor page thereto) in respect of the period from 9:30 a.m. to 4:00 p.m. (New York City time) on such Trading Day (or if such volume-weighted average price is unavailable, the market value of one share of the Common Stock on such Trading Day as the Board of Directors determines in good faith using a volume-weighted method).

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

"Defaulted Interest" means any interest on any Note that is payable, but is not punctually paid or duly provided for, on any March 15 or September 15.

"Depositary" means, with respect to the Notes issuable or issued in whole or in part in global form, the Person specified in Section 2.06(d) as the Depositary with respect to such Notes, until a successor shall have been appointed and become such pursuant to the applicable provisions of this Indenture, and thereafter, "Depositary" shall mean or include such successor.

"Distributed Property" shall have the meaning specified in Section 15.04(c).

"Effective Date" shall have the meaning specified in Section 15.03(a).

"Event of Default" shall have the meaning specified in Section 7.01.

"Ex-Dividend Date" means, with respect to any dividend, distribution or other transaction or event in which the holders of Common Stock (or other security) have the right to receive any cash, securities or other property or in which the Common Stock (or other security) is exchanged for or converted into any combination of cash, securities or other property, the first date on which the shares of the Common Stock (or other security) trade on the applicable exchange or in the applicable market, regular way, without the right to receive the issuance, dividend or distribution in question.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Fundamental Change" means the occurrence after the original issuance of the Notes of any of the following events:

(i) any "person" or "group" (within the meaning of Section 13(d) of the Exchange Act) other than a Standish Holder, the Company, its Subsidiaries or the employee benefit plans of the Company or any such Subsidiary, files a Schedule TO or any schedule, form or report under the Exchange Act disclosing that such person or group has become the direct or indirect "beneficial owner," as defined in Rule 13d-3 under the Exchange Act, of the Company's Common Equity representing more than 50% of the voting power of the Company's Common Equity;

(ii) consummation of any share exchange, exchange offer, tender offer, consolidation, merger or binding share exchange of the Company pursuant to which the Common Stock will be converted into cash, securities or other property or any sale, lease or other transfer in one transaction or a series of transactions of all or substantially all of the consolidated assets of the Company and its Subsidiaries, taken as a whole, to any Person other than one of the Company's Subsidiaries; provided, however, that (A) a transaction where the holders of more than 50% of all classes of the Company's Common Equity immediately prior to such transaction own, directly or indirectly, more than 50% of all classes of Common Equity of the continuing or surviving corporation or transferee immediately after such event shall not be a Fundamental Change, or (B) if at least 90% of the consideration, excluding cash payments for fractional shares, in the share exchange, exchange offer, tender offer, consolidation, merger, binding share exchange, sale, lease or other transfer consists of shares of Publicly Traded Securities, and as a result of such share

exchange, exchange offer, tender offer, consolidation, merger, binding share exchange sale, lease or other transfer, the Notes become convertible into such Publicly Traded Securities, excluding cash payments for fractional shares, such event shall not be a Fundamental Change;

(iii) the stockholders of the Company approve any plan or proposal for the liquidation or dissolution of the Company;

(iv) (A) the Common Stock ceases to be listed on a national securities exchange or quoted on the Nasdaq National Market (at a time when the Nasdaq National Market is not a U.S. national securities exchange) other than in connection with a transaction or series of transactions described in clause (iv)(B) of this definition; or (B) the Common Stock ceases to be listed on a national securities exchange or quoted on the Nasdaq National Market (at a time when the Nasdaq National Market is not a U.S. national securities exchange) in connection with any transaction or series of transactions in which one or more Standish Holders acquires all or substantially all of the shares of Common Stock.

For purposes of this definition, whether a "person" is a "beneficial owner" shall be determined in accordance with Rule 13d-3 under the Exchange Act and "person" includes any syndicate or group that would be deemed to be a "person" under Section 13(d)(3) of the Exchange Act.

"Fundamental Change Company Notice" shall have the meaning specified in Section 16.02(b).

"Fundamental Change Expiration Time" shall have the meaning specified in Section 16.02(b)(ix).

"Fundamental Change Repurchase Date" shall have the meaning specified in Section 16.02(a).

"Fundamental Change Repurchase Notice" shall have the meaning specified in Section 16.02(a)(i).

"Fundamental Change Repurchase Price" shall have the meaning specified in Section 16.02(a).

"Global Note" shall have the meaning specified in Section 2.06(b).

"Indenture" means this instrument as originally executed or, if amended or supplemented as herein provided, as so amended or supplemented.

"Initial Dividend Threshold" means $0.09 per share (subject to adjustment as described in Section 15.04(h)).

"Initial Purchasers" means J.P. Morgan Securities Inc., Banc of America Securities LLC, LaSalle Financial Services, Inc., Daiwa Securities America Inc., HSBC Securities (USA) Inc., Mitsubishi UFJ Securities International plc, Greenwich Capital Markets, Inc. and Scotia Capital (USA) Inc.

"Interest Payment Date" means each March 15 and September 15 of each year, beginning on September 15, 2006.

"Last Reported Sale Price" of the Common Stock or Public Acquiror Common Stock, as the case may be, on any date means, as determined by the Company, the closing sale price per share (or if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average ask prices) on that date as reported in composite transactions for the principal U.S. national or regional securities exchange on which the Common Stock or Public Acquiror Common Stock, as the case may be, is listed for trading or quoted or, if the Common Stock or Public Acquiror Common Stock, as the case may be, is not listed for trading or quoted on a U.S. national or regional securities exchange and the Nasdaq Market is not a U.S. national securities exchange, as reported by the Nasdaq Market. If the Common Stock or Public Acquiror Common Stock, as the case may be, is not listed for trading on a U.S. national or regional securities exchange or reported by the Nasdaq Market on the relevant date, then the "Last Reported Sale Price" will be the last quoted bid price for the Common Stock or Public Acquiror Common Stock, as the case may be, in the over-the-counter market on the relevant date as reported by the National Quotation Bureau or similar organization. If the Common Stock or Public Acquiror Common Stock, as the case may be, is not so quoted, the "Last Reported Sale Price" will be the average of the mid-point of the last bid and ask prices for the Common Stock or Public Acquiror Common Stock, as the case may be, on the relevant date from each of at least three nationally recognized independent investment banking firms selected by the Company for this purpose.

"Majority Owned" means having "beneficial ownership" (as defined in Rule 13d-3 under the Exchange Act) of more than 50% of the total voting power of all shares of an entity's Capital Stock that are entitled to vote generally in the election of directors.

"Make-Whole Conversion Rate Adjustment" shall have the meaning specified in Section 15.03(a).

"Make-Whole Fundamental Change" means any transaction or event that constitutes a Fundamental Change as described in clause (i), (ii), (iii) or (iv)(B) of the definition thereof, the effective date of which occurs on or prior to March 15, 2013.

"Market Disruption Event" means (i) a failure by the primary exchange or quotation system on which the Common Stock trades or is quoted, as the case may be, to open for trading during its regular trading session or (ii) the occurrence or existence prior to 1:00 p.m. on any Trading Day for the Common Stock for an aggregate one-half hour period of any suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the stock exchange or otherwise) in the Common Stock or in any options, contracts or future contracts relating to the Common Stock.

"Maturity Date" means March 15, 2026.

"Measurement Period" shall have the meaning specified in Section 15.01(b)(i).

"Merger Event" shall have the meaning specified in Section 15.06.

"Note" or "Notes" shall mean any note or notes, as the case may be, authenticated and delivered under this Indenture.

"Noteholder" or "holder," as applied to any Note, or other similar terms (but excluding the term "beneficial holder"), shall mean any person in whose name at the time a particular Note is registered on the Note register.

"Note register" shall have the meaning specified in Section 2.06(a).

"Note registrar" shall have the meaning specified in Section 2.06(a).

"Notice of Conversion" shall have the meaning specified in Section 15.02(d).

"Officers' Certificate," when used with respect to the Company, means a certificate signed by (a) one of the President, the Chief Executive Officer, any Executive or Senior Vice President, Managing Director or any Vice President

(whether or not designated by a number or numbers or word added before or after the title "Vice President") and (b) by any such other officer designated in (a) or by one of the Treasurer or any Assistant Treasurer, Secretary or any Assistant Secretary or Controller of the Company that is delivered to the Trustee. Each such certificate shall include the statements provided for in Section 17.05 if and to the extent required by the provisions of such Section. One of the officers giving an Officers' Certificate pursuant to Section 5.08 shall be the principal executive, financial or accounting officer of the Company.

"Opinion of Counsel" means an opinion in writing signed by legal counsel, who may be an employee of or counsel to the Company, or other counsel acceptable to the Trustee that is delivered to the Trustee. Each such opinion shall include the statements provided for in Section 17.05 if and to the extent required by the provisions of such Section.

"outstanding," when used with reference to Notes, shall, subject to the provisions of Section 9.04, mean, as of any particular time, all Notes authenticated and delivered by the Trustee under this Indenture, except:

(i) Notes theretofore canceled by the Trustee or accepted by the Trustee for cancellation;

(ii) Notes, or portions thereof, for the payment or repurchase of which monies in the necessary amount shall have been deposited in trust with the Trustee or with any Paying Agent (other than the Company) or shall have been set aside and segregated in trust by the Company (if the Company shall act as its own Paying Agent); provided that, if such Notes are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made, or if any such Note is be repurchased, the holder thereof shall have delivered a Repurchase Notice or a Fundamental Change Repurchase Notice in accordance with Section 16.01 or 16.02, as applicable;

(iii) Notes that have been paid pursuant to Section 2.07 or Notes in lieu of which, or in substitution for which, other Notes shall have been authenticated and delivered pursuant to the terms of Section 2.07 unless proof satisfactory to the Trustee is presented that any such Notes are held by protected purchasers in due course; and

(iv) Notes converted pursuant to Article 15.

"Paying Agent" shall have the meaning specified in Section 5.02.

"Permitted Beneficiary" means, as to any natural person, such person's spouse, such person's issue, a spouse of such person's issue, a whole or half brother or sister of such person and/or a cousin of such person.

"Permitted Transfer" means (1) a transfer of Class B common stock of the Company by the holder thereof to another holder of Class B common stock of the Company; (2) a transfer of Class B common stock of the Company resulting from the death of the holder thereof to another holder of Class B common stock of the Company; (3) if Class B common stock of the Company is held by a trust, (i) a transfer pursuant to the terms of the governing trust instrument as in effect when the transferred Class B common stock of the Company was acquired by that trust or (ii) a transfer to another trust that was established by the same settlor or by a parent, grandparent or Permitted Beneficiary of said settlor and that has as its Primary Beneficiaries the settlor and/or one or more of the parents, grandparents or Permitted Beneficiaries of the settlor; (4) a bona fide pledge of Class B common stock of the Company; provided that any action by the pledgee (other than a Person described in clause (1) or clause (2) of the definition of Standish Holder or in clause (1), (2), (3), (5), (6) or (7) of this definition) in the nature of a foreclosure or other transfer shall not constitute a Permitted Transfer; (5) a transfer of Class B common stock of the Company by a holder who is a natural person to a Permitted Beneficiary of such holder or to a trust that has as its Primary Beneficiaries such holder and/or one or more Permitted Beneficiaries of such holder or to a trust having one or more organizations described in Section 170(2) of the Internal Revenue Code of 1986 (or any successor provision thereto) as an income beneficiary for a fixed period of years and having as its other Primary Beneficiaries such holder and/or one or more Permitted Beneficiaries of such holder; (6) a transfer of Class B common stock of the Company by the holder thereof to a nominee for such holder, or by a nominee for a holder of such shares to such holder or to another nominee for such holder; or (7) a transfer of Class B common stock of the Company by the corporation which is the holder thereof to another corporation (i) which owns all of the capital stock of such holder or all of the capital stock of a corporation which owns all of the capital stock of such holder, (ii) all of the capital stock of which is owned by such holder or by a corporation all of the capital stock of which is owned by such holder, or (iii) all of the capital stock of which is owned by a corporation which owns all of the capital stock of such holder or all of the capital stock of a corporation which owns all of the capital stock of such holder.

"Person" means an individual, a corporation, a limited liability company, an association, a partnership, a joint venture, a joint stock company, a trust, an

unincorporated organization or a government or an agency or a political subdivision thereof.

"Portal Market" means The Portal Market operated by the National Association of Securities Dealers, Inc. or any successor thereto.

"Predecessor Note" of any particular Note means every previous Note evidencing all or a portion of the same debt as that evidenced by such particular Note; and, for the purposes of this definition, any Note authenticated and delivered under Section 2.07 in lieu of or in exchange for a mutilated, lost, destroyed or stolen Note shall be deemed to evidence the same debt as the mutilated, lost, destroyed or stolen Note that it replaces.

"Primary Beneficiaries" shall mean beneficiaries of a trust, other than contingent remaindermen, who have, in the aggregate, a beneficial interest in at least 85% of the income and principal of the trust.

"Public Acquiror Change of Control" means a Fundamental Change described in clause (ii) of the definition of Fundamental Change in which the acquiror has Public Acquiror Common Stock. If an acquiror does not itself have Public Acquiror Common Stock, it will be deemed to have Public Acquiror Common Stock if it is Majority Owned by a corporation that has Public Acquiror Common Stock.

"Public Acquiror Common Stock" means, in connection with a Public Acquiror Change of Control, a class of common stock traded on a U.S. national securities exchange or quoted on the Nasdaq National Market (at a time when the Nasdaq National Market is not a U.S. national securities exchange) or that will be so traded or quoted when issued or exchanged in connection with such Public Acquiror Change of Control and the issuer of which is the acquiror in such Public Acquiror Change of Control or the corporation referred to in the definition of Public Acquiror Change of Control of which such acquiror is a Majority Owned Subsidiary.

"Publicly Traded Securities" means shares of common stock traded on a national securities exchange or quoted on the Nasdaq National Market (at a time when the Nasdaq National Market is not a U.S. national securities exchange) or that will be so traded or quoted when issued or exchanged in connection with a Fundamental Change described in clause (ii) of the definition thereof.

"Purchase Agreement" means that certain Purchase Agreement, dated as of March 8, 2006, among the Company and the Initial Purchasers.

"QIB" means a "qualified institutional buyer" as defined in Rule 144A.

"record date," with respect to any Interest Payment Date, shall mean the March 1 or September 1 (whether or not such day is a Business Day) preceding the applicable March 15 or September 15 Interest Payment Date, respectively.

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

"Redemption Price" shall have the meaning set forth in Section 3.01.

"Reference Property" shall have the meaning specified in Section 15.06(b).

"Registration Rights Agreement" means that certain Registration Rights Agreement, dated as of March 13, 2006, among the Company and the Initial Purchasers.

"Repurchase Date" shall have the meaning specified in Section 16.01(a).

"Repurchase Notice" shall have the meaning specified in Section 16.01(a).

"Repurchase Price" shall have the meaning specified in Section 16.01(a).

"Resale Restriction Termination Date" shall have the meaning specified in Section 2.06(d).

"Responsible Officer," shall mean an officer of the Trustee in the Corporate Trust Office, having direct responsibility for the administration of this Indenture, and also, with respect to a particular matter, any other officer to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject.

"Restricted Securities" shall have the meaning specified in Section 2.06(d).

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

"Scheduled Trading Day" means any day on which The New York Stock Exchange is scheduled to be open for trading for its regular trading session; provided, however, that if at any time during the period from and including March 7, 2006, to and including March 15, 2013, the Common Stock ceases to be listed or quoted on The New York Stock Exchange for any reason (other than a Merger Event as a result of which the common stock underlying the Notes is listed

or quoted on The New York Stock Exchange, The American Stock Exchange or the Nasdaq National Market (or their respective successors) (the "Successor Exchange")), but the Common Stock is immediately re-listed on a Successor Exchange upon ceasing to be listed or quoted on The New York Stock Exchange, "Scheduled Trading Day" shall mean any day on which the Successor Exchange is scheduled to be open for trading for its regular trading session. The foregoing proviso shall similarly apply if the Common Stock ceases to be listed or quoted on a Successor Exchange but is immediately re-listed on a different Successor Exchange.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Spin-Off" shall have the meaning specified in Section 15.04(c).

"Standish Holder" means (1) any of the five Persons who were listed as "Reporting Persons" on the Schedule 13D/A (with respect to which the Company was the issuer) filed with the Commission on December 3, 2004, namely: J.S. Standish Company (a Delaware corporation), J. Spencer Standish, Thomas R. Beecher Jr. as sole trustee of trusts for the benefit of John C. Standish and Christine L. Standish, and of the Standish Delta Trust, John C. Standish or Christine L. Standish (all individuals); (2) any of the trusts identified in Item 5 of such Schedule 13D/A as holding shares of common stock of the Company that are deemed for the purposes of such Schedule to be beneficially owned by such Reporting Persons; and (3) any Person to whom one of the five Persons or trusts described above transfers any of his, her or its shares of Class B common stock of the Company, so long as such transfer is a Permitted Transfer.

"Stock Price" means (i) in the case of a Make-Whole Fundamental Change described in clause (ii) of the definition of Fundamental Change in which holders of the Common Stock receive only cash as consideration for their share of Common Stock, the amount of cash paid per share of the Common Stock in such Make-Whole Fundamental Change, or (ii) in the case of all other Make-Whole Fundamental Changes, the average of the Last Reported Sale Prices per share of Common Stock for the five (5) consecutive Trading Days immediately preceding the Effective Date of the relevant Make-Whole Fundamental Change. The Board of Directors will make appropriate adjustments, in its good faith determination, to account for any adjustment to the Conversion Rate that becomes effective, or any event requiring an adjustment to the Conversion Rate where the Ex-Dividend Date of the event occurs, during such five consecutive Trading Days.

"Subsidiary" of the Company 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 the Company and one or more Subsidiaries of the Company or by one or more Subsidiaries of the Company or (ii) any other Person (other than a corporation) in which the Company, one or more Subsidiaries of the Company or the Company and one or more Subsidiaries of the Company, directly or indirectly, at the date of determination thereof, has greater than a 50% ownership interest.

"Successor Company" shall have the meaning specified in Section 12.01(a).

"Trading Day" means a day during which (a) trading in the Common Stock generally occurs, (b) there is no Market Disruption Event and (c) a Last Reported Sale Price for the Common Stock (other than a Last Reported Sale Price referred to in the last sentence of the definition thereof) is available for such day.

"Trading Price" with respect to the Notes, on any date of determination means the average of the secondary market bid quotations obtained by the Trustee for $3.0 million principal amount of Notes at approximately 3:30 p.m., New York City time, on such determination date from three independent nationally recognized securities dealers selected by the Company; provided that if three such bids cannot reasonably be obtained by the Trustee, but two such bids are obtained, then the average of the two bids shall be used, and if only one such bid can reasonably be obtained by the Trustee, that one bid shall be used. If the Trustee cannot reasonably obtain at least one bid for $3.0 million principal amount of Notes from any such nationally recognized securities dealer, then the Trading Price per $1,000 principal amount of Notes will be deemed to be less than 103% of the product of the Last Reported Sale Price of the Common Stock and the Conversion Rate.

"transfer" shall have the meaning specified in Section 2.06(d).

"Trigger Event" shall have the meaning specified in Section 15.04(c).

"Trust Indenture Act" means the Trust Indenture Act of 1939, as amended, as it was in force at the date of execution of this Indenture, except as provided in Section 11.03 and Section 15.06; provided, however, that in the event the Trust Indenture Act of 1939 is amended after the date hereof, the term "Trust Indenture Act" shall mean, to the extent required by such amendment, the Trust Indenture Act of 1939, as so amended.

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

ARTICLE 2
ISSUE, DESCRIPTION, EXECUTION, REGISTRATION AND EXCHANGE OF NOTES

Section 2.01. Designation and Amount. The Notes shall be designated as the "2.25% Convertible Senior Notes due 2026." The aggregate principal amount of Notes that may be authenticated and delivered under this Indenture is initially limited to $150,000,000 (or $180,000,000 if the Initial Purchasers exercise their option to purchase additional Notes in full as set forth in the Purchase Agreement), subject to Section 2.11 and except for Notes authenticated and delivered upon registration or transfer of, or in exchange for, or in lieu of other Notes pursuant to Section 2.06, Section 2.07, Section 3.06, Section 11.04, Section 15.02, Section 16.01 and Section 16.04 hereof.

Section 2.02. Form of Notes. The Notes and the Trustee's certificate of authentication to be borne by such Notes shall be substantially in the respective forms set forth in Exhibit A, which are incorporated in and made a part of this Indenture.

Any Global Note may be endorsed with or have incorporated in the text thereof such legends or recitals or changes not inconsistent with the provisions of this Indenture as may be required by the Custodian, the Depositary or by the National Association of Securities Dealers, Inc. in order for the Notes to be tradable on The Portal Market or as may be required for the Notes to be tradable on any other market developed for trading of securities pursuant to Rule 144A or required to comply with any applicable law or any regulation thereunder or with the rules and regulations of any securities exchange or automated quotation system upon which the Notes may be listed or traded or designated for issuance or to conform with any usage with respect thereto, or to indicate any special limitations or restrictions to which any particular Notes are subject.

Any of the Notes may have such letters, numbers or other marks of identification and such notations, legends or endorsements as the officers executing the same may approve (execution thereof to be conclusive evidence of such approval) and as are not inconsistent with the provisions of this Indenture, or as may be required to comply with any law or with any rule or regulation made

pursuant thereto or with any rule or regulation of any securities exchange or automated quotation system on which the Notes may be listed or designated for issuance, or to conform to usage or to indicate any special limitations or restrictions to which any particular Notes are subject.

The Global Note shall represent such principal amount of the outstanding Notes as shall be specified therein and shall provide that it shall represent the aggregate principal amount of outstanding Notes from time to time endorsed thereon and that the aggregate principal amount of outstanding Notes represented thereby may from time to time be increased or reduced to reflect repurchases, redemptions, conversions, transfers or exchanges permitted hereby. Any endorsement of the Global Note to reflect the amount of any increase or decrease in the amount of outstanding Notes represented thereby shall be made by the Trustee or the Custodian, at the direction of the Trustee, in such manner and upon instructions given by the holder of such Notes in accordance with this Indenture. Payment of principal, accrued and unpaid interest, and Additional Interest, if any, and premium, if any (including any Redemption Price, Repurchase Price or Fundamental Change Repurchase Price), on the Global Note shall be made to the holder of such Note on the date of payment, unless a record date or other means of determining holders eligible to receive payment is provided for herein.

The terms and provisions contained in the form of Note attached as Exhibit A hereto shall constitute, and are hereby expressly made, a part of this Indenture and, to the extent applicable, the Company and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby.

Section 2.03. Date and Denomination of Notes; Payments of Interest. The Notes shall be issuable in registered form without coupons in denominations of $1,000 principal amount and integral multiples thereof. Each Note shall be dated the date of its authentication and shall bear interest from the date specified on the face of the form of Note attached as Exhibit A hereto. Interest on the Notes shall be computed on the basis of a 360-day year comprised of twelve 30-day months.

The Person in whose name any Note (or its Predecessor Note) is registered on the Note register at the close of business on any record date with respect to any Interest Payment Date shall be entitled to receive the interest payable on such Interest Payment Date. Interest (including Additional Interest, if any) shall be payable at the office or agency of the Company maintained by the Company for such purposes in The Borough of Manhattan, City of New York, which shall initially be the Corporate Trust Office of the Trustee. The Company shall pay

interest (including Additional Interest, if any) (i) on any Notes in certificated form by check mailed to the address of the Person entitled thereto as it appears in the Note register (or upon written application by such Person to the Trustee and Paying Agent not later than the relevant record date, by wire transfer in immediately available funds to such Person's account within the United States, if such Person is entitled to interest on an aggregate principal in excess of $1,000,000) or (ii) on any Global Note by wire transfer of immediately available funds to the account of the Depositary or its nominee. The term "record date" with respect to any Interest Payment Date shall mean the March 1 or September 1 (whether or not such day is a Business Day) preceding the applicable March 15 or September 15 Interest Payment Date, respectively.

Any interest on any Note that is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Noteholder on the relevant record date by virtue of its having been such Noteholder, and such Defaulted Interest shall be paid by the Company, at its election in each case, as provided in clause (1) or (2) below:

(1) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Notes (or their respective Predecessor Notes) are registered at the close of business on a special record date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Note and the date of the proposed payment (which shall be not less than twenty-five (25) days after the receipt by the Trustee of such notice, unless the Trustee shall consent to an earlier date), and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit on or prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this clause provided. Thereupon the Company shall fix a special record date for the payment of such Defaulted Interest which shall be not more than fifteen (15) days and not less than ten (10) days prior to the date of the proposed payment, and not less than ten (10) days after the receipt by the Trustee of the notice of the proposed payment. The Company shall promptly notify the Trustee of such special record date and the Trustee, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the special record date therefor to be mailed, first-class postage prepaid, to each holder at its address as it appears in the Note Register, not less than ten (10) days prior to such special

record date. Notice of the proposed payment of such Defaulted Interest and the special record date therefor having been so mailed, such Defaulted Interest shall be paid to the Persons in whose names the Notes (or their respective Predecessor Notes) are registered at the close of business on such special record date and shall no longer be payable pursuant to the following clause (2) of this Section 2.03.

(2) The Company may make payment of any Defaulted Interest in any other lawful manner not inconsistent with the requirements of any securities exchange or automated quotation system on which the Notes may be listed or designated for issuance, and upon such notice as may be required by such exchange or automated quotation system, if, after notice given by the Company to the Trustee of the proposed payment pursuant to this clause, such manner of payment shall be deemed practicable by the Trustee.

Section 2.04. Payments of Additional Interest. If required by the Registration Rights Agreement, each Note shall pay Additional Interest in the manner and to the Persons set forth in the Registration Rights Agreement. Whenever in this Indenture there is mentioned, in any context, the payment of the principal of, premium, if any, or interest on, or in respect of, any Note, such mention shall be deemed to include mention of the payment of "Additional Interest" provided for in the Registration Rights Agreement to the extent that, in such context, Additional Interest is, was or would be payable in respect thereof pursuant to the provisions of the Registration Rights Agreement and express mention of the payment of Additional Interest (if applicable) in any provisions hereof shall not be construed as excluding Additional Interest in those provisions hereof where such express mention is not made.

Section 2.05. Execution, Authentication and Delivery of Notes. The Notes shall be signed in the name and on behalf of the Company by the manual or facsimile signature of its Chief Executive Officer, President or any of its Executive or Senior Vice Presidents.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Notes executed by the Company to the Trustee for authentication, together with a Company Order for the authentication and delivery of such Notes, and the Trustee in accordance with such Company Order shall authenticate and deliver such Notes, without any further action by the Company hereunder.

Only such Notes as shall bear thereon a certificate of authentication substantially in the form set forth on the form of Note attached as Exhibit A hereto, manually executed by an authorized officer of the Trustee (or an

authenticating agent appointed by the Trustee as provided by Section 17.11), shall be entitled to the benefits of this Indenture or be valid or obligatory for any purpose. Such certificate by the Trustee (or such an authenticating agent) upon any Note executed by the Company shall be conclusive evidence that the Note so authenticated has been duly authenticated and delivered hereunder and that the holder is entitled to the benefits of this Indenture.

In case any officer of the Company who shall have signed any of the Notes shall cease to be such officer before the Notes so signed shall have been authenticated and delivered by the Trustee, or disposed of by the Company, such Notes nevertheless may be authenticated and delivered or disposed of as though the person who signed such Notes had not ceased to be such officer of the Company; and any Note may be signed on behalf of the Company by such persons as, at the actual date of the execution of such Note, shall be the proper officers of the Company, although at the date of the execution of this Indenture any such person was not such an officer.

Section 2.06. Exchange and Registration of Transfer of Notes; Restrictions on Transfer; Depositary.

(a) The Company shall cause to be kept at the Corporate Trust Office a register (the register maintained in such office or in any other office or agency of the Company designated pursuant to Section 5.02 being herein sometimes collectively referred to as the "Note register") in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Notes and of transfers of Notes. Such register shall be in written form or in any form capable of being converted into written form within a reasonable period of time. The Trustee is hereby appointed "Note registrar" for the purpose of registering Notes and transfers of Notes as herein provided. The Company may appoint one or more co-registrars in accordance with Section 5.02.

Upon surrender for registration of transfer of any Note to the Note registrar or any co-registrar, and satisfaction of the requirements for such transfer set forth in this Section 2.06, the Company shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Notes of any authorized denominations and of a like aggregate principal amount and bearing such restrictive legends as may be required by this Indenture.

Notes may be exchanged for other Notes of any authorized denominations and of a like aggregate principal amount, upon surrender of the Notes to be exchanged at any such office or agency maintained by the Company pursuant to

Section 5.02. Whenever any Notes are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and deliver, the Notes that the Noteholder making the exchange is entitled to receive, bearing registration numbers not contemporaneously outstanding.

All Notes presented or surrendered for registration of transfer or for exchange, redemption, repurchase or conversion shall (if so required by the Company, the Trustee, the Note registrar or any co-registrar) be duly endorsed, or be accompanied by a written instrument or instruments of transfer in form satisfactory to the Company and duly executed, by the Noteholder thereof or its attorney-in-fact duly authorized in writing.

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

None of the Company, the Trustee, the Note registrar or any co-registrar shall be required to exchange or register a transfer of (a) any Notes surrendered for conversion or, if a portion of any Note is surrendered for conversion, such portion thereof surrendered for conversion or (b) any Notes, or a portion of any Note, surrendered for repurchase (and not withdrawn) in accordance with Article 16 hereof. In addition, in the event of any redemption in part, the Company will not be required to (i) issue, register the transfer of or exchange any Note during a period beginning at the opening of business 15 days before any notice of redemption is given to all holders of any Notes to be redeemed, or (ii) register the transfer of or exchange any Note so selected for redemption, in whole or in part, except the unredeemed portion of any Note being redeemed in part.

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

(b) So long as the Notes are eligible for book-entry settlement with the Depositary, unless otherwise required by law, all Notes shall be represented by one or more Notes in global form (each, a "Global Note") registered in the name of the Depositary or the nominee of the Depositary. The transfer and exchange of beneficial interests in a Global Note that does not involve the issuance of a definitive Note, shall be effected through the Depositary (but not the Trustee or the Custodian) in accordance with this Indenture (including the restrictions on transfer set forth herein) and the procedures of the Depositary therefor.

(c) [Reserved.]

(d) Every Note that bears or is required under this Section 2.06(d) to bear the legend set forth in this Section 2.06(d) (together with any Common Stock issued upon conversion of the Notes and required to bear the legend set forth in Section 2.06(e), collectively, the "Restricted Securities") shall be subject to the restrictions on transfer set forth in this Section 2.06(d) (including the legend set forth below), unless such restrictions on transfer shall be waived by written consent of the Company, and the holder of each such Restricted Security, by such holder's acceptance thereof, agrees to be bound by all such restrictions on transfer. As used in Section 2.06(d) and Section 2.06(e), the term "transfer" encompasses any sale, pledge, transfer or other disposition whatsoever of any Restricted Security.

Until the date (the "Resale Restriction Termination Date") that is two years after the last original issue date of the Notes, any certificate evidencing such Note (and all securities issued in exchange therefor or substitution thereof, other than Common Stock, if any, issued upon conversion thereof which shall bear the legend set forth in Section 2.06(e), if applicable) shall bear a legend in substantially the following form (unless such Notes have been transferred pursuant to a registration statement that has become or been declared effective under the Securities Act and that continues to be effective at the time of such transfer, pursuant to the exemption from registration provided by Rule 144 or any similar provision then in force under the Securities Act, or unless otherwise agreed by the Company in writing, with notice thereof to the Trustee):

> THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER AGREES (1) THAT IT WILL NOT WITHIN TWO YEARS AFTER THE LAST ORIGINAL ISSUE DATE OF THIS SECURITY, RESELL OR OTHERWISE TRANSFER THE SECURITY EVIDENCED HEREBY OR THE COMMON STOCK ISSUABLE UPON CONVERSION OF SUCH SECURITY, EXCEPT (A) TO THE ISSUER OR A SUBSIDIARY THEREOF; (B) UNDER A REGISTRATION STATEMENT THAT HAS BECOME OR BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT; (C) TO A PERSON THE SELLER REASONABLY

BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) THAT IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER QUALIFIED INSTITUTIONAL BUYER AND TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, ALL IN COMPLIANCE WITH RULE 144A (IF AVAILABLE); OR (D) UNDER ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT; AND (2) THAT IT WILL, PRIOR TO ANY TRANSFER OF THIS SECURITY WITHIN TWO YEARS AFTER THE LAST ORIGINAL ISSUE DATE OF THIS SECURITY PURSUANT TO CLAUSE (D) ABOVE FURNISH TO THE TRUSTEE AND THE ISSUER SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS MAY BE REQUIRED PURSUANT TO THE INDENTURE 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.

No transfer of any Note prior to the Resale Restriction Termination Date will be registered by the Note registrar unless the applicable box on the Form of Assignment and Transfer has been checked.

Any Note (or security issued in exchange or substitution therefor) as to which such restrictions on transfer shall have expired in accordance with their terms may, upon surrender of such Note for exchange to the Note registrar in accordance with the provisions of this Section 2.06, be exchanged for a new Note or Notes, of like tenor and aggregate principal amount, which shall not bear the restrictive legend required by this Section 2.06(d). The Company shall notify the Trustee upon the occurrence of the Resale Restriction Termination Date and promptly after a Registration Statement with respect to the Notes or the Common Stock has been declared effective under the Securities Act.

Notwithstanding any other provisions of this Indenture (other than the provisions set forth in this Section 2.06(d)), a Global Note may not be transferred as a whole or in part except 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.

The Depositary shall be a clearing agency registered under the Exchange Act. The Company initially appoints The Depository Trust Company to act as Depositary with respect to the Global Note. Initially, the Global Note shall be issued to the Depositary, registered in the name of Cede & Co., as the nominee of the Depositary, and deposited with the Trustee as custodian for Cede & Co.

If at any time the Depositary for a Global Note (i) notifies the Company that it is unwilling or unable to continue as Depositary for such Note or (ii) ceases to be registered as a clearing agency under the Exchange Act, the Company may appoint a successor Depositary with respect to such Note. If (1) a successor Depositary for such Global Note is not appointed by the Company within ninety (90) days after the Company receives such notice or the Depositary ceasing to be a registered clearing agency, (2) the Company, at its option, notifies the Trustee that it elects to cause the issuance of Notes in definitive form in exchange for all or any part of the Notes represented by a Global Notes, subject to the procedures of the Depositary, or (3) an Event of Default has occurred and is continuing and the Note registrar has received a request from the Depositary for the issuance of Notes in definitive form in exchange for a Global Note, the Company will execute, and the Trustee, upon receipt of an Officers' Certificate and a Company Order for the authentication and delivery of Notes, will authenticate and deliver Notes in definitive form in an aggregate principal amount equal to the principal amount of such Global Note, in exchange for such Global Note, and upon delivery of the Global Note to the Trustee such Global Note shall be canceled.

Definitive Notes issued in exchange for all or a part of the Global Note pursuant to this Section 2.06(d) shall be registered in such names and in such authorized denominations as the Depositary, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee. Upon execution and authentication, the Trustee shall deliver such definitive Notes to the Persons in whose names such definitive Notes are so registered.

At such time as all interests in a Global Note have been converted, canceled, repurchased, redeemed or transferred, such Global Note shall be, upon receipt thereof, canceled by the Trustee in accordance with standing procedures and instructions existing between the Depositary and the Custodian. At any time prior to such cancellation, if any interest in a Global Note is exchanged for definitive Notes, converted, canceled, redeemed, repurchased or transferred to a transferee who receives definitive Notes therefor or any definitive Note is exchanged or transferred for part of such Global Note, the principal amount of

such Global Note shall, in accordance with the standing procedures and instructions existing between the Depositary and the Custodian, be appropriately reduced or increased, as the case may be, and an endorsement shall be made on such Global Note, by the Trustee or the Custodian, at the direction of the Trustee, to reflect such reduction or increase.

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

(e) Until the Resale Restriction Termination Date, any stock certificate representing Common Stock issued upon conversion of such Note shall bear a legend in substantially the following form (unless the Note or such Common Stock has been transferred pursuant to a registration statement that has become or been declared effective under the Securities Act and that continues to be effective at the time of such transfer or pursuant to the exemption from registration provided by Rule 144 under the Securities Act or any similar provision then in force under the Securities Act, or such Common Stock has been issued upon conversion of Notes that have been transferred pursuant to a registration statement that has become or been declared effective under the Securities Act and that continues to be effective at the time of such transfer or pursuant to the exemption from registration provided by Rule 144 under the Securities Act, or unless otherwise agreed by the Company with written notice thereof to the Trustee and any transfer agent for the Common Stock):

> THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER AGREES (1) THAT IT WILL NOT WITHIN TWO YEARS AFTER THE LAST ORIGINAL ISSUE DATE OF THE NOTES UPON THE CONVERSION OF WHICH THIS SECURITY WAS ISSUED, RESELL OR OTHERWISE TRANSFER THE SECURITY EVIDENCED HEREBY, EXCEPT (A) TO THE ISSUER OR A SUBSIDIARY THEREOF; (B) UNDER A REGISTRATION STATEMENT THAT HAS BECOME OR BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT; (C) TO A

PERSON THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) THAT IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER QUALIFIED INSTITUTIONAL BUYER AND TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, ALL IN COMPLIANCE WITH RULE 144A (IF AVAILABLE); OR (D) UNDER ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT; AND (2) THAT IT WILL, PRIOR TO ANY TRANSFER OF THIS SECURITY WITHIN TWO YEARS AFTER THE LAST ORIGINAL ISSUE DATE OF THE NOTES UPON THE CONVERSION OF WHICH THIS SECURITY WAS ISSUED PURSUANT TO CLAUSE (D) ABOVE FURNISH TO THE TRANSFER AGENT AND THE ISSUER SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS MAY BE REQUIRED 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.

Any such Common Stock as to which such restrictions on transfer shall have expired in accordance with their terms may, upon surrender of the certificates representing such shares of Common Stock for exchange in accordance with the procedures of the transfer agent for the Common Stock, be exchanged for a new certificate or certificates for a like aggregate number of shares of Common Stock, which shall not bear the restrictive legend required by this Section 2.06(e).

(f) Any Note or Common Stock issued upon the conversion or exchange of a Note that, prior to the expiration of the holding period applicable to sales thereof under Rule 144(k) under the Securities Act (or any successor provision), is purchased or owned by the Company or any Affiliate thereof may not be resold by the Company or such Affiliate unless registered under the Securities Act or resold pursuant to an exemption from the registration requirements of the Securities Act in a transaction that results in such Notes or Common Stock, as the case may be, no longer being "restricted securities" (as defined under Rule 144).

(g) Notwithstanding any provision of Section 2.06 to the contrary, in the event Rule 144(k) as promulgated under the Securities Act (or any successor rule) is amended to change the two-year period under Rule 144(k) (or the corresponding period under any successor rule), from and after receipt by the Trustee of the Officers' Certificate and Opinion of Counsel provided for in this Section 2.06(g), (i) each reference in Section 2.06(d) to "two years" and in the restrictive legend set forth in such paragraph to "TWO YEARS" shall be deemed for all purposes hereof to be references to such changed period, (ii) each reference in Section 2.06(e) to "two years" and in the restrictive legend set forth in such paragraph to "TWO YEARS" shall be deemed for all purposes hereof to be references to such changed period and (iii) all corresponding references in the Notes (including the definition of Resale Restriction Termination Date) and the restrictive legends thereon shall be deemed for all purposes hereof to be references to such changed period, provided that such changes shall not become effective if they are otherwise prohibited by, or would otherwise cause a violation of, the then-applicable federal securities laws. The provisions of this Section 2.06(g) will not be effective until such time as the Opinion of Counsel and Officers' Certificate have been received by the Trustee hereunder. This Section 2.06(g) shall apply to successive amendments to Rule 144(k) (or any successor rule) changing the holding period thereunder.

Section 2.07. Mutilated, Destroyed, Lost or Stolen Notes. In case any Note shall become mutilated or be destroyed, lost or stolen, the Company in its discretion may execute, and upon its written request the Trustee or an authenticating agent appointed by the Trustee shall authenticate and deliver, a new Note, bearing a number not contemporaneously outstanding, in exchange and substitution for the mutilated Note, or in lieu of and in substitution for the Note so destroyed, lost or stolen. In every case the applicant for a substituted Note shall furnish to the Company, to the Trustee and, if applicable, to such authenticating agent such security or indemnity as may be required by them to save each of them harmless from any loss, liability, cost or expense caused by or connected with such substitution, and, in every case of destruction, loss or theft, the applicant shall also furnish to the Company, to the Trustee and, if applicable, to such authenticating agent evidence to their satisfaction of the destruction, loss or theft of such Note and of the ownership thereof.

The Trustee or such authenticating agent may authenticate any such substituted Note and deliver the same upon the receipt of such security or indemnity as the Trustee, the Company and, if applicable, such authenticating agent may require. Upon the issuance of any substituted Note, the Company or the Trustee may require the payment by the holder of a sum sufficient to cover

any tax, assessment or other governmental charge that may be imposed in relation thereto and any other expenses connected therewith. In case any Note that has matured or is about to mature or has been tendered for repurchase upon a Fundamental Change or on a Repurchase Date or is about to be redeemed or converted into cash and shares of Common Stock (if any) shall become mutilated or be destroyed, lost or stolen, the Company may, in its sole discretion, instead of issuing a substitute Note, pay or authorize the payment of or convert or authorize the conversion of the same (without surrender thereof except in the case of a mutilated Note), as the case may be, if the applicant for such payment or conversion shall furnish to the Company, to the Trustee and, if applicable, to such authenticating agent such security or indemnity as may be required by them to save each of them harmless for any loss, liability, cost or expense caused by or connected with such substitution, and, in every case of destruction, loss or theft, evidence satisfactory to the Company, the Trustee and, if applicable, any Paying Agent or Conversion Agent evidence of their satisfaction of the destruction, loss or theft of such Note and of the ownership thereof.

Every substitute Note issued pursuant to the provisions of this Section 2.07 by virtue of the fact that any Note is destroyed, lost or stolen shall constitute an additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Note shall be found at any time, and shall be entitled to all the benefits of (but shall be subject to all the limitations set forth in) this Indenture equally and proportionately with any and all other Notes duly issued hereunder. To the extent permitted by law, all Notes shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment or conversion or redemption or repurchase of mutilated, destroyed, lost or stolen Notes and shall preclude any and all other rights or remedies notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment or conversion of negotiable instruments or other securities without their surrender.

Section 2.08. Temporary Notes. Pending the preparation of Notes in certificated form, the Company may execute and the Trustee or an authenticating agent appointed by the Trustee shall, upon written request of the Company, authenticate and deliver temporary Notes (printed or lithographed). Temporary Notes shall be issuable in any authorized denomination, and substantially in the form of the Notes in certificated form but with such omissions, insertions and variations as may be appropriate for temporary Notes, all as may be determined by the Company. Every such temporary Note shall be executed by the Company and authenticated by the Trustee or such authenticating agent upon the same conditions and in substantially the same manner, and with the same effect, as the

Notes in certificated form. Without unreasonable delay the Company will execute and deliver to the Trustee or such authenticating agent Notes in certificated form (other than in the case of Notes in global form) and thereupon any or all temporary Notes (other than any Global Note) may be surrendered in exchange therefor, at each office or agency maintained by the Company pursuant to Section 5.02 and the Trustee or such authenticating agent shall authenticate and deliver in exchange for such temporary Notes an equal aggregate principal amount of Notes in certificated form. Such exchange shall be made by the Company at its own expense and without any charge therefor. Until so exchanged, the temporary Notes shall in all respects be entitled to the same benefits and subject to the same limitations under this Indenture as Notes in certificated form authenticated and delivered hereunder.

Section 2.09. Cancellation of Notes Paid, Etc. All Notes surrendered for the purpose of payment, repurchase, redemption, conversion, exchange or registration of transfer, shall, if surrendered to the Company or any Paying Agent or any Note registrar or any Conversion Agent, be surrendered to the Trustee and promptly canceled by it, or, if surrendered to the Trustee, shall be promptly canceled by it, and no Notes shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Indenture. The Trustee shall dispose of canceled Notes in accordance with its customary procedures and, after such disposition, shall deliver a certificate of such disposition to the Company, at the Company's written request. If the Company shall acquire any of the Notes, such acquisition shall not operate as satisfaction of the indebtedness represented by such Notes unless and until the same are delivered to the Trustee for cancellation.

Section 2.10. CUSIP Numbers. The Company in issuing the Notes may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP" numbers in all notices issued to Noteholders as a convenience to holders of the Notes; provided, that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or on such notice and that reliance may be placed only on the other identification numbers printed on the Notes. The Company will promptly notify the Trustee in writing of any change in the "CUSIP" numbers.

Section 2.11. Additional Notes; Repurchases. The Company may, without the consent of the Noteholders and notwithstanding Section 2.01, reopen the Notes and issue additional Notes hereunder with the same terms and with the same CUSIP number as the Notes initially issued hereunder in an unlimited aggregate principal amount, which will form the same series with the Notes initially issued hereunder. Prior to the issuance of any such additional Notes, the

Company shall deliver to the Trustee a Company Order, an Officers' Certificate and an Opinion of Counsel, such Officers' Certificate and Opinion of Counsel to cover such matters, in addition to those required by Section 17.05, as the Trustee shall reasonably request. The Company may also from time to time repurchase the Notes in open market purchases or negotiated transactions without prior notice to Noteholders.

ARTICLE 3
REDEMPTION OF NOTES

Section 3.01. Company's Right to Redeem; Notices to Trustee. Prior to March 15, 2013, the Notes will not be redeemable at the Company's option. On or after March 15, 2013, the Company, at its option, may redeem the Notes for cash at any time as a whole, or from time to time in part, at a price (the "Redemption Price") equal to 100% of the principal amount of the Notes to be redeemed plus accrued and unpaid interest, including Additional Interest, if any, on the Notes to be redeemed to (but excluding) the Redemption Date; provided, however, that, if the Redemption Date falls after a record date and on or prior to the succeeding Interest Payment Date, the Redemption Price shall be equal to 100% of the principal amount of the Notes to be redeemed and the full amount of interest due on such Interest Payment Date shall be payable on such Interest Payment Date to the record holder of the Note on the record date relating to such Interest Payment Date. If the Company elects to redeem Notes, it shall notify the Trustee in writing of the Redemption Date, the principal amount of Notes to be redeemed and the Redemption Price.

Section 3.02. Selection of Notes to Be Redeemed. If fewer than all the Notes are to be redeemed, the Trustee shall, upon 15 days' prior notice from the Company (unless the Trustee consents to a shorter period), select the Notes to be redeemed by lot, on a pro rata basis or by another method that the Trustee considers fair and appropriate. Notes and portions of Notes the Trustee selects shall be in principal amounts of $1,000 or a whole multiple of $1,000. No sinking fund is provided for the Notes. Provisions of this Indenture that apply to Notes called for redemption also apply to portions of Notes called for redemption. The Trustee shall notify the Company as promptly as practicable of the Notes or portions of Notes to be redeemed.

Notes and portions of Notes that are to be redeemed, pursuant to this Article 3, are convertible by the holder thereof until the close of business on the second Business Day prior to the Redemption Date, as set forth in Section 15.02.

If any Note selected for partial redemption is converted in part before termination of the conversion right with respect to the portion of the Note so selected, the converted portion of such Note shall be deemed (so far as may be) to be from the portion selected for redemption. Notes that have been converted subsequent to the Trustee commencing selection of Notes to be redeemed, but prior to the redemption of such Notes shall be treated by the Trustee as outstanding for the purpose of such selection.

Section 3.03. Notice of Redemption. At least 45 days but not more than 60 days before a Redemption Date, the Company or, at the Company's request, the Trustee shall mail or caused to be mailed a notice of redemption by first-class mail, postage prepaid, to the holders of each Note to be redeemed, the Paying Agent, the Conversion Agent and the Trustee (if such notice is mailed by the Company).

The notice shall identify the Notes to be redeemed and shall state:

(1) the Redemption Date;

(2) the Redemption Price;

(3) the applicable Conversion Rate;

(4) the name and address of the Paying Agent and the Conversion Agent;

(5) that Notes called for redemption may be converted at any time before the close of business on the second Business Day immediately prior to the Redemption Date;

(6) that holders who want to convert their Notes must satisfy the requirements for conversion set forth in the Notes and this Indenture;

(7) that Notes called for redemption must be surrendered to the Paying Agent to collect the Redemption Price;

(8) if the Trustee (or other Paying Agent appointed by the Company) holds money sufficient to redeem on the Redemption Date all the Notes or portions thereof that are to be redeemed as of the Redemption Date, then on and after the Redemption Date (i) such Notes will cease to be outstanding, (ii) interest, including Additional Interest, if any, will cease to accrue on such Notes, and (iii) all other rights of the holders of such Notes will terminate (whether or not book-

entry transfer of the Notes has been made or the Notes have been delivered to the Trustee or Paying Agent) other than the right to receive the Redemption Price upon delivery of the Notes;

(9) if fewer than all of the outstanding Notes are to be redeemed, the certificate numbers, if any, and principal amounts of the particular Notes to be redeemed; and

(10) the CUSIP number(s) of the Notes.

At the Company's request, the Trustee shall give the notice of redemption in the Company's name and at the Company's expense, provided that the Company makes such request at least five Business Days prior to the date by which such notice of redemption must be given to holders in accordance with this Section 3.03.

Section 3.04. Effect of Notice of Redemption. Once notice of redemption is mailed, Notes called for redemption become due and payable on the Redemption Date and at the Redemption Price stated in the notice except for Notes that are converted in accordance with the terms of this Indenture. Upon surrender to the Paying Agent, such Notes shall be paid at the Redemption Price stated in the notice.

Section 3.05. Deposit of Redemption Price. Prior to 11:00 a.m. (New York City time) on the Redemption Date, the Company shall deposit with the Paying Agent (or if the Company or a Subsidiary thereof is the Paying Agent, shall segregate and hold in trust) money sufficient to pay the Redemption Price of all Notes to be redeemed on that date other than Notes or portions of Notes called for redemption that on or prior thereto have been delivered by the Company to the Trustee for cancellation or have been converted. Subject to receipt of funds and/or Notes by the Paying Agent, payment for Notes surrendered for redemption will be made promptly after the later of (x) the Redemption Date with respect to such Note and (y) the time of delivery of such Note to the Paying Agent by the holder thereof, by mailing checks for the amount payable to the holders of such Notes entitled thereto as they shall appear in the Note Register; provided, however, that payments to the Depositary shall be made by wire transfer of immediately available funds to the account of the Depositary or its nominee. The Paying Agent shall as promptly as practicable return to the Company any money not required to redeem the Notes because of conversion of Notes pursuant to Section 15.01. If such money is then held by the Company in trust and is not required for such purpose it shall be discharged from such trust.

If the Trustee (or other Paying Agent appointed by the Company) holds money sufficient to redeem on the Redemption Date all the Notes or portions thereof that are to be redeemed as of the Redemption Date, then on and after the Redemption Date (i) such Notes will cease to be outstanding, (ii) interest, including Additional Interest, if any, will cease to accrue on such Notes, and (iii) all other rights of the holders of such Notes will terminate (whether or not book-entry transfer of the Notes has been made or the Notes have been delivered to the Trustee or Paying Agent) other than the right to receive the Redemption Price upon delivery of the Notes.

Section 3.06. Notes Redeemed in Part. Upon surrender of a Note that is redeemed in part, the Company shall execute and the Trustee shall authenticate and deliver to the holder a new Note in an authorized denomination equal in principal amount to the unredeemed portion of the Note surrendered. In the event of any redemption in part, the Company will not be required to (i) issue, register the transfer of or exchange any Note during a period beginning at the opening of business 15 days before any notice of redemption is given to all holders of any Notes to be redeemed, or (ii) register the transfer of or exchange any Note so selected for redemption, in whole or in part, except the unredeemed portion of any Note being redeemed in part.

Section 3.07. No Redemption Upon Acceleration. Notwithstanding the foregoing, the Company may not redeem the Notes if the principal amount of the Notes has been accelerated, and such acceleration has not been rescinded, on or prior to such Redemption Date (except in the case of an acceleration resulting from a default by the Company in the payment of the Redemption Price with respect to such Notes).

ARTICLE 4
SATISFACTION AND DISCHARGE

Section 4.01. Satisfaction And Discharge. This Indenture shall upon request of the Company contained in an Officers' Certificate cease to be of further effect, and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when (i) all Notes theretofore authenticated and delivered (other than (x) Notes which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 2.07 and (y) Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust, as provided in Section

5.04(d)) have been delivered to the Trustee for cancellation; (ii) the Company has paid or caused to be paid, or delivered or caused to be delivered, all other sums payable and consideration to be delivered hereunder by the Company; and (iii) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with. Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Company to the Trustee under Section 8.06 shall survive.

ARTICLE 5
PARTICULAR COVENANTS OF THE COMPANY

Section 5.01. Payment of Principal, Premium Interest, and Additional Interest. The Company covenants and agrees that it will cause to be paid the principal of and premium, if any (including the Redemption Price, Repurchase Price or Fundamental Change Repurchase Price, as the case may be), and accrued and unpaid interest and Additional Interest, if any, on each of the Notes at the places, at the respective times and in the manner provided herein and in the Notes. Each installment of accrued and unpaid interest and Additional Interest, if any, on the Notes due on any Additional Interest Payment Date (as defined in the Registration Rights Agreement) may be paid by mailing checks for the amount payable to or upon the written order of the Noteholders entitled thereto as they shall appear on the registry books of the Company; provided that, with respect to any Noteholder with an aggregate principal amount in excess of $1,000,000, at the application of such holder in writing to the Note registrar not later than the relevant record date, accrued and unpaid interest and Additional Interest, if any, on such holder's Notes shall be paid by wire transfer in immediately available funds to such holder's account in the United States supplied by such holder from time to time to the Trustee and Paying Agent (if different from Trustee); provided further that payment of accrued and unpaid interest and Additional Interest, if any, made to the Depositary shall be paid by wire transfer in immediately available funds in accordance with such wire transfer instructions and other procedures provided by the Depositary from time to time.

Section 5.02. Maintenance of Office or Agency. The Company will maintain in the Borough of Manhattan, The City of New York, an office or agency where the Notes may be surrendered for registration of transfer or exchange or for presentation for payment, redemptions or repurchase ("Paying Agent") or for conversion ("Conversion Agent") and where notices and demands to or upon the Company in respect of the Notes and this Indenture may be served.

The Company will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office or the office or agency of the Trustee in the Borough of Manhattan, The City of New York.

The Company may also from time to time designate co-registrars one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in the Borough of Manhattan, The City of New York, for such purposes. The Company will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency. The terms "Paying Agent" and "Conversion Agent" include any such additional or other offices or agencies, as applicable.

The Company hereby initially designates the Trustee as the Paying Agent, Note registrar, Custodian and Conversion Agent and the Corporate Trust Office and the office or agency of the Trustee in the Borough of Manhattan shall be considered as one such office or agency of the Company for each of the aforesaid purposes.

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

Section 5.04. Provisions as to Paying Agent.

(a) If the Company shall appoint a Paying Agent other than the Trustee, the Company will cause such Paying Agent to execute and deliver to the Trustee an instrument in which such agent shall agree with the Trustee, subject to the provisions of this Section 5.04:

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

(ii) that it will give the Trustee prompt notice of any failure by the Company (or by any other obligor on the Notes) to make any payment of the principal of and premium, if any, and accrued and unpaid interest and Additional Interest, if any, on the Notes when the same shall be due and payable; and

(iii) that at any time during the continuance of an Event of Default, upon request of the Trustee, it will forthwith pay to the Trustee all sums so held in trust.

The Company shall, on or before each due date of the principal of, or premium, if any, or accrued and unpaid interest or Additional Interest, if any, on the Notes, deposit with the Paying Agent a sum sufficient to pay such principal, premium, if any, or accrued and unpaid interest or Additional Interest, if any, and (unless such Paying Agent is the Trustee) the Company will promptly notify the Trustee of any failure to take such action, provided that if such deposit is made on the due date, such deposit must be received by the Paying Agent by 11:00 a.m., New York City time, on such date.

(b) If the Company shall act as its own Paying Agent, it will, on or before each due date of the principal of, premium, if any, accrued and unpaid interest and Additional Interest, if any, on the Notes, set aside, segregate and hold in trust for the benefit of the holders of the Notes a sum sufficient to pay such principal, premium, if any, accrued and unpaid interest and Additional Interest, if any, so becoming due and will promptly notify the Trustee in writing of any failure to take such action and of any failure by the Company (or any other obligor under the Notes) to make any payment of the principal of, premium, if any, accrued and unpaid interest and Additional Interest, if any, on the Notes when the same shall become due and payable.

(c) Anything in this Section 5.04 to the contrary notwithstanding, the Company may, at any time, for the purpose of obtaining a satisfaction and discharge of this Indenture, or for any other reason, pay or cause to be paid to the Trustee all sums held in trust by the Company or any Paying Agent hereunder as required by this Section 5.04, such sums to be held by the Trustee upon the trusts herein contained and upon such payment by the Company or any Paying Agent to the Trustee, the Company or such Paying Agent shall be released from all further liability with respect to such sums.

(d) Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of or any premium or interest on any Note and remaining unclaimed for two years after such

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

Section 5.05. Existence. Subject to Article 12, the Company will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence.

Section 5.06. Rule 144A Information Requirement and Annual Reports. (a) At any time the Company is not subject to Sections 13 or 15(d) of the Exchange Act, the Company shall, so long as any of the Notes or any shares of Common Stock issuable upon conversion thereof shall, at such time, constitute "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, promptly provide to the Trustee and shall, upon written request, provide to any holder, beneficial owner or prospective purchaser of such Notes or any shares of Common Stock issued upon conversion of such Notes, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act to facilitate the resale of such Notes or shares of Common Stock pursuant to Rule 144A under the Securities Act. The Company shall take such further action as any holder or beneficial owner of such Notes or such Common Stock may reasonably request to the extent required from time to time to enable such holder or beneficial holder to sell such Notes or shares of Common Stock in accordance with Rule 144A under the Securities Act, as such rule may be amended from time to time.

(b) The Company shall deliver to the Trustee, such annual reports, information, documents and other reports required to be filed with the Commission and copies of the Company's annual reports (which shall contain audited financial statements of the Company) and of the information, documents and other reports (or copies of such portions of any of the foregoing as the Commission may by rules and regulations prescribe) that the Company is required

to file with the Commission pursuant to Section 13 or Section 15(d) of the Exchange Act; provided that any such information, documents or reports required to be filed with the Commission shall be delivered to the Trustee within thirty calendar days after the same is so required to be filed with the Commission. 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 and, upon written request, to each holder, within thirty calendar days after the date the Company would have been required to file such reports with the Commission, annual and quarterly consolidated financial statements substantially equivalent to financial statements that would have been included in reports filed with the Commission 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 Commission and, in each case, together with a management's discussion and analysis of financial condition and results of operations that would be so required.

(c) Delivery of such reports, information and documents to the Trustee is for informational purposes only, and the Trustee's receipt of such 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 conclusively rely exclusively on an Officers' Certificate).

Section 5.07. Stay, Extension and Usury Laws. The Company covenants (to the extent that it may lawfully do so) that it shall 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 or other law that would prohibit or forgive the Company from paying all or any portion of the principal of or interest on the Notes as contemplated herein, wherever enacted, now or at any time hereafter in force, or that may affect the covenants or the performance of this Indenture; and the Company (to the extent 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 had been enacted.

Section 5.08. Compliance Certificate; Statements as to Defaults. The Company shall deliver to the Trustee within 120 days after the end of each fiscal year of the Company (beginning with the fiscal year ending on December 31,

2006) an Officers' Certificate stating whether or not the signer thereof has knowledge of any failure by the Company to comply with all conditions and covenants then required to be performed under this Indenture and, if so, specifying each such failure and the nature thereof.

In addition, the Company shall deliver to the Trustee, as soon as possible and in any event within 30 days after the Company becomes aware of the occurrence of any Event of Default or Default, an Officers' Certificate setting forth the details of such Event of Default or Default, its status and the action that the Company proposes to take with respect thereto.

Section 5.09. Additional Interest. If Additional Interest is payable by the Company pursuant to the Registration Rights Agreement, the Company shall deliver to the Trustee an Officers' Certificate to that effect stating (i) the amount of such Additional Interest that is payable and (ii) the date on which such interest is payable. Unless and until a Responsible Officer of the Trustee receives at the Corporate Trust Office 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 them, the Company shall deliver to the Trustee an Officers' Certificate setting forth the particulars of such payment.

Section 5.10. Further Instruments and Acts. Upon request of the Trustee, the Company will execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purposes of this Indenture.

Section 5.11. Resale of the Notes. During the period of two years after the last original issuance of the Notes the Company shall not, and shall not permit any of its Affiliates to, resell any of the Notes or the shares of Common Stock, if any, issued upon conversion of the Notes, that constitute "restricted securities" under Rule 144 under the Securities Act that have been reacquired by any of them.

ARTICLE 6
LISTS OF NOTEHOLDERS AND REPORTS BY THE COMPANY AND THE TRUSTEE

Section 6.01. Lists of Noteholders. The Company covenants and agrees that it will furnish or cause to be furnished to the Trustee, semi-annually, not more than fifteen (15) days after each March 1 and September 1 in each year beginning with September 1, 2006, and at such other times as the Trustee may request in

writing, within thirty (30) days after receipt by the Company of any such request (or such lesser time as the Trustee may reasonably request in order to enable it to timely provide any notice to be provided by it hereunder), a list in such form as the Trustee may reasonably require of the names and addresses of the Noteholders as of a date not more than fifteen (15) days (or such other date as the Trustee may reasonably request in order to so provide any such notices) prior to the time such information is furnished, except that no such list need be furnished so long as the Trustee is acting as Note registrar.

Section 6.02. Preservation and Disclosure of Lists.

(a) The Trustee shall preserve, in as current a form as is reasonably practicable, all information as to the names and addresses of the Noteholders contained in the most recent list furnished to it as provided in Section 6.01 or maintained by the Trustee in its capacity as Note registrar, if so acting. The Trustee may destroy any list furnished to it as provided in Section 6.01 upon receipt of a new list so furnished.

(b) The rights of Noteholders to communicate with other Noteholders with respect to their rights under this Indenture or under the Notes and the corresponding rights and duties of the Trustee, shall be as provided by the Trust Indenture Act.

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

Section 6.03. Reports by Trustee.

(a) The Trustee shall transmit to holders such reports concerning the Trustee and its actions under this Indenture as may be required pursuant to the Trust Indenture Act at the times and in the manner provided pursuant thereto. If required by Section 313(a) of the Trust Indenture Act, the Trustee shall, within 60 days after each May 15 following the date of this Indenture, deliver to holders a brief report, dated as of such May 15, that complies with the provisions of such Section 313(a).

(b) A copy of each such report shall, at the time of such transmission to Noteholders, be filed by the Trustee with each stock exchange and automated quotation system upon which the Notes are listed and with the Company. The

Company will notify the Trustee in writing within a reasonable time when the Notes are listed on any stock exchange or automated quotation system and when any such listing is discontinued.

ARTICLE 7
DEFAULTS AND REMEDIES

Section 7.01. Events of Default. The following events shall be "Events of Default" with respect to the Notes:

(a) default in any payment of interest, including any Additional Interest, on any Note when due and payable and the default continues for a period of thirty days;

(b) default in the payment of principal of any Note when due and payable at its Maturity Date, upon redemption, upon required repurchase, upon declaration of acceleration or otherwise;

(c) failure by the Company to comply with its obligation to convert the Notes into cash or a combination of cash and Common Stock, as applicable, upon exercise of a holder's conversion right and such failure continues for a period of five days;

(d) failure by the Company to issue a Fundamental Change Company Notice in accordance with Section 16.02 when due;

(e) failure by the Company for 60 days after written notice from the Trustee or the holders of at least 25% in principal amount of the Notes then outstanding (a copy of which notice, if given by holders, also to be given to the Trustee) has been received by the Company to comply with any of its other agreements contained in the Notes or this Indenture, which notice shall state that it is a "Notice of Default" hereunder;

(f) default by the Company or any Subsidiary of the Company in the payment of the principal or interest on any mortgage, agreement or other instrument under which there may be outstanding, or by which there may be secured or evidenced, any debt for money borrowed in excess of $25 million in the aggregate of the Company and/or any such Subsidiary, whether such debt now exists or shall hereafter be created, resulting in such debt becoming or being declared due and payable, and such acceleration shall not have been rescinded or

annulled within 30 days after written notice of such acceleration has been received by the Company or such Subsidiary;

(g) a final judgment for the payment of $25 million or more rendered against the Company or any Subsidiary of the Company, which judgment is not fully covered by insurance or not discharged or stayed within 90 days after (i) the date on which the right to appeal thereof has expired if no such appeal has commenced, or (ii) the date on which all rights to appeal have been extinguished;

(h) the Company or any Subsidiary of the Company that is a "significant subsidiary" (as defined in Regulation S-X under the Exchange Act) or any group of Subsidiaries of the Company that in the aggregate would constitute a "significant subsidiary" shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to the Company or any such Subsidiary or group of Subsidiaries or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of the Company or any such Subsidiary or group of Subsidiaries or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due; or

(i) an involuntary case or other proceeding shall be commenced against the Company or any Subsidiary of the Company that is a "significant subsidiary" (as defined in Regulation S-X under the Exchange Act) or any group of Subsidiaries of the Company that in the aggregate would constitute a "significant subsidiary" seeking liquidation, reorganization or other relief with respect to the Company or such Subsidiary or group of Subsidiaries or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of the Company or such Subsidiary or group of Subsidiaries or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of ninety consecutive days.

In case one or more Events of Default shall have occurred and be continuing (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body), then, and in each and every such case (other than an Event of Default specified in Section 7.01(h) or Section 7.01(i) with respect to the Company), unless the principal of all of the Notes shall have

already become due and payable, either the Trustee or the holders of at least 25% in aggregate principal amount of the Notes then outstanding determined in accordance with Section 9.04, by notice in writing to the Company (and to the Trustee if given by Noteholders), may declare 100% of the principal of and premium, if any, and accrued and unpaid interest and accrued and unpaid Additional Interest, if any, on all the Notes to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in this Indenture or in the Notes contained to the contrary notwithstanding. If an Event of Default specified in Section 7.01(h) or Section 7.01(i) occurs and is continuing with respect to the Company, the principal of all the Notes and accrued and unpaid interest and accrued and unpaid Additional Interest, if any, shall be immediately due and payable. This provision, however, is subject to the conditions that if, at any time after the principal of the Notes shall have been so declared due and payable, and before any judgment or decree for the payment of the monies due shall have been obtained or entered as hereinafter provided, the Company shall pay or shall deposit with the Trustee a sum sufficient to pay installments of accrued and unpaid interest and accrued and unpaid Additional Interest, if any, upon all Notes and the principal of and premium, if any, on any and all Notes that shall have become due otherwise than by acceleration (with interest on overdue installments of accrued and unpaid interest and accrued and unpaid Additional Interest, if any, (to the extent that payment of such interest is enforceable under applicable law) and on such principal and premium, if any, at the rate borne by the Notes at such time) and amounts due to the Trustee pursuant to Section 8.06, and if (1) rescission would not conflict with any judgment or decree of a court of competent jurisdiction and (2) any and all Events of Defaults under this Indenture, other than the nonpayment of principal of and premium, if any, and accrued and unpaid interest and accrued and unpaid Additional Interest, if any, on Notes that shall have become due solely by such acceleration, shall have been cured or waived pursuant to Section 7.07, then and in every such case the holders of a majority in aggregate principal amount of the Notes then outstanding, by written notice to the Company and to the Trustee, may waive all Defaults or Events of Default with respect to the Notes and rescind and annul such declaration and its consequences and such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture; but no such waiver or rescission and annulment shall extend to or shall affect any subsequent Default or Event of Default, or shall impair any right consequent thereon.

In case the Trustee shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned because of such waiver or rescission and annulment or for any other reason or

shall have been determined adversely to the Trustee, then and in every such case the Company, the Noteholders, and the Trustee shall, subject to any determination in such proceeding, be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Company, the Noteholders, and the Trustee shall continue as though no such proceeding had been instituted.

Section 7.02. Payments of Notes on Default; Suit Therefor. If an Event of Default described in clause (a) or (b) of Section 7.01 shall have occurred, the Company shall, upon demand of the Trustee, pay to it, for the benefit of the holders of the Notes, the whole amount then due and payable on the Notes for principal, premium, if any, and interest and Additional Interest, if any, with interest on any overdue principal, premium, if any, interest and Additional Interest, if any, at the rate borne by the Notes at such time, and, in addition thereto, such further amount as shall be sufficient to cover any amounts due to the Trustee under Section 8.06. If the Company shall fail to pay such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, may prosecute such proceeding to judgment or final decree and may enforce the same against the Company or any other obligor upon the Notes and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company or any other obligor upon the Notes, wherever situated.

In the event there shall be pending proceedings for the bankruptcy or for the reorganization of the Company or any other obligor on the Notes under title 11 of the United States Code, or any other applicable law, or in case a receiver, assignee or trustee in bankruptcy or reorganization, liquidator, sequestrator or similar official shall have been appointed for or taken possession of the Company or such other obligor, the property of the Company or such other obligor, or in the event of any other judicial proceedings relative to the Company or such other obligor upon the Notes, or to the creditors or property of the Company or such other obligor, the Trustee, irrespective of whether the principal of the Notes shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand pursuant to the provisions of this Section 7.02, shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount of principal premium, if any, and accrued and unpaid interest and accrued and unpaid Additional Interest, if any, in respect of the Notes, and, in case of any judicial proceedings, to file such proofs of claim and other papers or documents and to take such other actions as it may deem necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable

compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and of the Noteholders allowed in such judicial proceedings relative to the Company or any other obligor on the Notes, its or their creditors, or its or their property, and to collect and receive any monies or other property payable or deliverable on any such claims, and to distribute the same after the deduction of any amounts due the Trustee under Section 8.06; and any receiver, assignee or trustee in bankruptcy or reorganization, liquidator, custodian or similar official is hereby authorized by each of the Noteholders to make such payments to the Trustee, as administrative expenses, and, in the event that the Trustee shall consent to the making of such payments directly to the Noteholders, to pay to the Trustee any amount due it for reasonable compensation, expenses, advances and disbursements, including agents and counsel fees, and including any other amounts due to the Trustee under Section 8.06 hereof, incurred by it up to the date of such distribution. To the extent that such payment of reasonable compensation, expenses, advances and disbursements out of the estate in any such proceedings shall be denied for any reason, payment of the same shall be secured by a lien on, and shall be paid out of, any and all distributions, dividends, monies, securities and other property that the holders of the Notes may be entitled to receive in such proceedings, whether in liquidation or under any plan of reorganization or arrangement or otherwise.

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

All rights of action and of asserting claims under this Indenture, or under any of the Notes, may be enforced by the Trustee without the possession of any of the Notes, or the production thereof at any trial or other proceeding relative thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the holders of the Notes.

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

Section 7.03. Application of Monies Collected by Trustee. Any monies collected by the Trustee pursuant to this Article 7 with respect to the Notes shall be applied in the order following, at the date or dates fixed by the Trustee for the distribution of such monies, upon presentation of the several Notes, and stamping thereon the payment, if only partially paid, and upon surrender thereof, if fully paid:

First, to the payment of all amounts due the Trustee under Section 8.06;

Second, in case the principal of the outstanding Notes shall not have become due and be unpaid, to the payment of interest on the Notes, including Additional Interest, if any, in default in the order of the maturity date of the installments of such interest, with interest (to the extent that such interest has been collected by the Trustee) upon the overdue installments of interest at the rate borne by the Notes at such time, such payments to be made ratably to the Persons entitled thereto;

Third, in case the principal of the outstanding Notes shall have become due, by declaration or otherwise, and be unpaid to the payment of the whole amount including the payment of the Fundamental Change Repurchase Price, the Repurchase Price, the Redemption Price and the cash component of the Conversion Obligation, if any, then owing and unpaid upon the Notes for principal and premium, if any, and interest, including Additional Interest, if any, with interest on the overdue principal and premium, if any, and (to the extent that such interest has been collected by the Trustee) upon overdue installments of interest at the rate borne by the Notes at such time, and in case such monies shall be insufficient to pay in full the whole amounts so due and unpaid upon the Notes, then to the payment of such principal and premium, if any, and interest without preference or priority of principal and premium, if any, over interest, or of interest over principal and premium, if any, or of any installment of interest over any other installment of interest, or of any Note over any other Note, ratably to the aggregate of such principal and premium, if any, and accrued and unpaid interest; and

Fourth, to the payment of the remainder, if any, to the Company or any other Person lawfully entitled thereto.

Section 7.04. Proceedings by Noteholders. No holder of any Note shall have any right by virtue of or by availing of any provision of this Indenture to institute any suit, action or proceeding in equity or at law upon or under or with respect to this Indenture, or for the appointment of a receiver, trustee, liquidator, custodian or other similar official, or for any other remedy hereunder, unless such

holder previously shall have given to the Trustee written notice of an Event of Default and of the continuance thereof, as hereinbefore provided, and unless also the holders of not less than 25% in aggregate principal amount of the Notes then outstanding shall have made written request upon the Trustee to institute such action, suit or proceeding in its own name as Trustee hereunder and shall have offered to the Trustee such security or indemnity reasonably satisfactory to it against any loss, liability or expense to be incurred therein or thereby, and the Trustee for sixty (60) days after its receipt of such notice, request and offer of indemnity, shall have neglected or refused to institute any such action, suit or proceeding and no direction that, in the opinion of the Trustee, is inconsistent with such written request shall have been given to the Trustee by the holders of a majority in principal amount of the Notes outstanding within such 60-day period pursuant to Section 7.07; it being understood and intended, and being expressly covenanted by the taker and holder of every Note with every other taker and holder and the Trustee that no one or more Noteholders shall have any right in any manner whatever by virtue of or by availing of any provision of this Indenture to affect, disturb or prejudice the rights of any other Noteholder, or to obtain or seek to obtain priority over or preference to any other such holder, or to enforce any right under this Indenture, except in the manner herein provided and for the equal, ratable and common benefit of all Noteholders (except as otherwise provided herein). For the protection and enforcement of this Section 7.04, each and every Noteholder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

Notwithstanding any other provision of this Indenture and any provision of any Note, the right of any Noteholder to receive payment of the principal of and premium, if any (including the Redemption Price upon redemption pursuant to Article 3, the Repurchase Price upon repurchase pursuant to Section 16.01 and the Fundamental Change Repurchase Price upon repurchase pursuant to Section 16.02), and accrued and unpaid interest and accrued and unpaid Additional Interest, if any, on such Note, on or after the respective due dates expressed or provided for in such Note, in this Indenture or in the notice of redemption, or to institute suit for the enforcement of any such payment on or after such respective dates against the Company shall not be impaired or affected without the consent of such Noteholder.

Anything in this Indenture or the Notes to the contrary notwithstanding, the holder of any Note, without the consent of either the Trustee or the holder of any other Note, in its own behalf and for its own benefit, may enforce, and may institute and maintain any proceeding suitable to enforce, its rights of conversion as provided herein.

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

Section 7.06. Remedies Cumulative and Continuing. Except as provided in the last paragraph of Section 2.07, all powers and remedies given by this Article 7 to the Trustee or to the Noteholders shall, to the extent permitted by law, be deemed cumulative and not exclusive of any thereof or of any other powers and remedies available to the Trustee or the holders of the Notes, by judicial proceedings or otherwise, to enforce the performance or observance of the covenants and agreements contained in this Indenture, and no delay or omission of the Trustee or of any holder of any of the Notes to exercise any right or power accruing upon any Default or Event of Default shall impair any such right or power, or shall be construed to be a waiver of any such Default or any acquiescence therein; and, subject to the provisions of Section 7.04, every power and remedy given by this Article 7 or by law to the Trustee or to the Noteholders may be exercised from time to time, and as often as shall be deemed expedient, by the Trustee or by the Noteholders.

Section 7.07. Direction of Proceedings and Waiver of Defaults by Majority of Noteholders. The holders of a majority in aggregate principal amount of the Notes at the time outstanding determined in accordance with Section 9.04 shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee with respect to Notes; provided, however, that (a) such direction shall not be in conflict with any rule of law or with this Indenture, and (b) the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction. The Trustee may refuse to follow any direction that it determines is unduly prejudicial to the rights of any other holder or that would involve the Trustee in personal liability. The holders of a majority in aggregate principal amount of the Notes at the time outstanding determined in accordance with Section 9.04 may on behalf of the holders of all of the Notes waive any past Default or Event of Default hereunder and its consequences except (i) a default in the payment of premium, accrued and unpaid interest or accrued and unpaid Additional Interest, if any, on, or the principal (including any Redemption Price, Repurchase Price and Fundamental Change Repurchase Price)

of, the Notes when due that has not been cured pursuant to the provisions of Section 7.01, (ii) a failure by the Company to deliver cash and shares of Common Stock (or cash in lieu of fractional shares) upon conversion of the Notes or (iii) a default in respect of a covenant or provision hereof which under Article 11 cannot be modified or amended without the consent of each holder of an outstanding Note affected. Upon any such waiver the Company, the Trustee and the holders of the Notes shall be restored to their former positions and rights hereunder; but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon. Whenever any Default or Event of Default hereunder shall have been waived as permitted by this Section 7.07, said Default or Event of Default shall for all purposes of the Notes and this Indenture be deemed to have been cured and to be not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon.

Section 7.08. Notice of Defaults. The Trustee shall, within ninety (90) days after the occurrence and continuance of a Default of which a Responsible Officer has actual knowledge, mail to all Noteholders as the names and addresses of such holders appear upon the Note register, notice of all Defaults known to a Responsible Officer, unless such Defaults shall have been cured or waived before the giving of such notice; and provided that, except in the case of a Default in the payment of the principal of, or premium, if any, accrued and unpaid interest or accrued and unpaid Additional Interest, if any, on any of the Notes, including without limiting the generality of the foregoing any Default in the payment of any Fundamental Change Repurchase Price, then in any such event the Trustee shall be protected in withholding such notice if and so long as a committee of trust officers of the Trustee in good faith determine that the withholding of such notice is in the interests of the Noteholders.

Section 7.09. Undertaking to Pay Costs. All parties to this Indenture agree, and each holder of any Note by its acceptance thereof shall be deemed to have agreed, that any court may, in its discretion, require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; provided that the provisions of this Section 7.09 (to the extent permitted by law) shall not apply to any suit instituted by the Trustee, to any suit instituted by any Noteholder, or group of Noteholders, holding in the aggregate more than 10% in principal

amount of the Notes at the time outstanding determined in accordance with Section 9.04, or to any suit instituted by any Noteholder for the enforcement of the payment of the principal of or premium, if any, accrued and unpaid interest or accrued and unpaid Additional Interest, if any, on any Note (including, but not limited to, the Redemption Price, the Repurchase Price or the Fundamental Change Repurchase Price with respect to the Notes being repurchased as provided in this Indenture) on or after the due date expressed or provided for in such Note or to any suit for the enforcement of the right to convert any Note in accordance with the provisions of Article 15.

ARTICLE 8
CONCERNING THE TRUSTEE

Section 8.01. Duties and Responsibilities of Trustee. The Trustee, prior to the occurrence of an Event of Default and after the curing or waiver of all Events of Default that may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured or waived) the Trustee shall exercise such of the rights and powers vested in it by this Indenture, 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 such person's own affairs; provided that if an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under this Indenture at the request or direction of any of the holders unless such holders have offered to the Trustee reasonable indemnity or security against the costs, expenses and liabilities that might be incurred by it in compliance with such request or direction.

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

(a) prior to the occurrence of an Event of Default and after the curing or waiving of all Events of Default that may have occurred:

(i) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture and, after it has been qualified thereunder, the Trust Indenture Act, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture and no implied

covenants or obligations shall be read into this Indenture and the Trust Indenture Act against the Trustee; and

(ii) in the absence of bad faith and willful misconduct on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any 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 that by any provisions hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture;

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

(c) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders of not less than a majority in principal amount of the Notes at the time outstanding determined as provided in Section 9.04 relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture;

(d) whether or not therein provided, every provision of this Indenture relating to the conduct or affecting the liability of, or affording protection to, the Trustee shall be subject to the provisions of this Section;

(e) the Trustee shall not be liable in respect of any payment (as to the correctness of amount, entitlement to receive or any other matters relating to payment) or notice effected by the Company or any Paying Agent or any records maintained by any co-registrar with respect to the Notes;

(f) if any party fails to deliver a notice relating to an event the fact of which, pursuant to this Indenture, requires notice to be sent to the Trustee, the Trustee may conclusively rely on its failure to receive such notice as reason to act as if no such event occurred, unless such Responsible Officer of the Trustee had actual knowledge of such event;

(g) in the absence of written investment direction from the Company, all cash received by the Trustee shall be placed in a non-interest bearing trust account. In no event shall the Trustee be liable for the selection of investments or

for investment losses incurred thereon or for losses incurred as a result of the liquidation of any such investment prior to its maturity date or the failure of the party directing such investments prior to its maturity date or the failure of the party directing such investment to provide timely written investment direction, and the Trustee shall have no obligation to invest or reinvest any amounts held hereunder in the absence of such written investment direction from the Company; and

(h) in the event that the Trustee is also acting as Custodian, Note registrar, Paying Agent, Conversion Agent or transfer agent hereunder, the rights and protections afforded to the Trustee pursuant to this Article 8 shall also be afforded to such Custodian, Note registrar, Paying Agent, Conversion Agent or transfer agent.

None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

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

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

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

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

(d) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of

the Noteholders pursuant to the provisions of this Indenture, unless such Noteholders shall have offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities that may be incurred therein or thereby;

(e) 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 or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney;

(f) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, custodians, nominees or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent, custodian, nominee or attorney appointed by it with due care hereunder; and

(g) the permissive rights of the Trustee enumerated herein shall not be construed as duties.

In no event shall the Trustee be liable for any consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action other than any such loss or damage caused by the Trustee's willful misconduct or gross negligence. The Trustee shall not be charged with knowledge of any Default or Event of Default with respect to the Notes, unless either (1) a Responsible Officer shall have actual knowledge of such Default or Event of Default or (2) written notice of such Default or Event of Default shall have been given to the Trustee by the Company or by any holder of the Notes.

Section 8.03. No Responsibility for Recitals, Etc. The recitals contained herein and in the Notes (except in the Trustee's certificate of authentication) shall be taken as the statements of the Company, and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Notes. The Trustee shall not be accountable for the use or application by the Company of any Notes or the proceeds of any Notes authenticated and delivered by the Trustee in conformity with the provisions of this Indenture.

Section 8.04. Trustee, Paying Agents, Conversion Agents or Registrar May Own Notes. The Trustee, any Paying Agent, any Conversion Agent or Note registrar, in its individual or any other capacity, may become the owner or pledgee of Notes with the same rights it would have if it were not the Trustee, Paying Agent, Conversion Agent or Note registrar.

Section 8.05. Monies to Be Held in Trust. All monies received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received. Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as may be agreed from time to time by the Company and the Trustee.

Section 8.06. Compensation and Expenses of Trustee. The Company covenants and agrees to pay to the Trustee from time to time, and the Trustee shall be entitled to, reasonable compensation for all services rendered by it hereunder in any capacity (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) as mutually agreed to in writing between the Trustee and the Company, and the Company will pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances reasonably incurred or made by the Trustee in accordance with any of the provisions of this Indenture in any capacity thereunder (including the reasonable compensation and the expenses and disbursements of its agents and counsel and of all Persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence, willful misconduct or bad faith. The Company also covenants to indemnify the Trustee in any capacity under this Indenture and any other document or transaction entered into in connection herewith and its agents and any authenticating agent for, and to hold them harmless against, any loss, liability or expense incurred without negligence, willful misconduct or bad faith on the part of the Trustee, its officers, directors, agents or employees, or such agent or authenticating agent, as the case may be, and arising out of or in connection with the acceptance or administration of this trust or in any other capacity hereunder, including the costs and expenses of defending themselves against any claim of liability in the premises. The obligations of the Company under this Section 8.06 to compensate or indemnify the Trustee and to pay or reimburse the Trustee for expenses, disbursements and advances shall be secured by a lien prior to that of the Notes upon all property and funds held or collected by the Trustee as such, except, subject to the effect of Section 7.03, funds held in trust herewith for the benefit of the holders of particular Notes. The Trustee's right to receive payment of any amounts due

under this Section 8.06 shall not be subordinate to any other liability or indebtedness of the Company (even though the Notes may be so subordinated). The obligation of the Company under this Section 8.06 shall survive the satisfaction and discharge of this Indenture and the earlier resignation or removal or the Trustee. The Company need not pay for any settlement made without its consent, which consent shall not be unreasonably withheld. The indemnification provided in this Section 8.06 shall extend to the officers, directors, agents and employees of the Trustee.

Without prejudice to any other rights available to the Trustee under applicable law, when the Trustee and its agents and any authenticating agent incur expenses or render services after an Event of Default specified in Section 7.01(h) or Section 7.01(i) occurs, the expenses and the compensation for the services are intended to constitute expenses of administration under any bankruptcy, insolvency or similar laws.

Section 8.07. Officers' Certificate as Evidence. Except as otherwise provided in Section 8.01, whenever in the administration of the provisions of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence, willful misconduct, recklessness and bad faith on the part of the Trustee, be deemed to be conclusively proved and established by an Officers' Certificate delivered to the Trustee, and such Officers' Certificate, in the absence of negligence, willful misconduct, recklessness and bad faith on the part of the Trustee, shall be full warrant to the Trustee for any action taken or omitted by it under the provisions of this Indenture upon the faith thereof.

Section 8.08. Conflicting Interests of Trustee. After qualification of this Indenture under the Trust Indenture Act, if the Trustee has or shall acquire a conflicting interest within the meaning of the Trust Indenture Act, the Trustee shall either (i) eliminate such interest within 90 days, (ii) apply to the Commission for permission to continue as Trustee or (iii) resign, to the extent and in the manner provided by, and subject to the provisions of, the Trust Indenture Act and this Indenture.

Section 8.09. Eligibility of Trustee. There shall at all times be a Trustee hereunder which shall be a Person that is eligible pursuant to the Trust Indenture Act to act as such and has a combined capital and surplus of at least $50,000,000. If such Person publishes reports of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such Person shall be

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

Section 8.10. Resignation or Removal of Trustee.

(a) The Trustee may at any time resign by giving written notice of such resignation to the Company and by mailing notice thereof to the Noteholders at their addresses as they shall appear on the Note register. Upon receiving such notice of resignation, the Company shall promptly appoint a successor trustee by written instrument, in duplicate, executed by order of the Board of Directors, one copy of which instrument shall be delivered to the resigning Trustee and one copy to the successor trustee. If no successor trustee shall have been so appointed and have accepted appointment within sixty (60) days after the mailing of such notice of resignation to the Noteholders, the resigning Trustee may, upon ten (10) Business Days' notice to the Company and the Noteholders, petition any court of competent jurisdiction for the appointment of a successor trustee, or any Noteholder who has been a bona fide holder of a Note or Notes for at least six months may, subject to the provisions of Section 7.09, on behalf of himself and all others similarly situated, petition any such court for the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor trustee.

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

(i) the Trustee shall fail to comply with Section 8.08 within a reasonable time after written request therefor by the Company or by any Noteholder who has been a bona fide holder of a Note or Notes for at least six (6) months, or

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

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

then, in any such case, the Company may by a Board Resolution remove the Trustee and appoint a successor trustee by written instrument, in duplicate, executed by order of the Board of Directors, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor trustee, or, subject to the provisions of Section 7.09, any Noteholder who has been a bona fide holder of a Note or Notes for at least six (6) months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, remove the Trustee and appoint a successor trustee.

(c) The holders of a majority in aggregate principal amount of the Notes at the time outstanding, as determined in accordance with Section 9.04, may at any time remove the Trustee and nominate a successor trustee that shall be deemed appointed as successor trustee unless within ten (10) days after notice to the Company of such nomination the Company objects thereto, in which case the Trustee so removed or any Noteholder, upon the terms and conditions and otherwise as in Section 8.10(a) provided, may petition any court of competent jurisdiction for an appointment of a successor trustee.

(d) Any resignation or removal of the Trustee and appointment of a successor trustee pursuant to any of the provisions of this Section 8.10 shall become effective upon acceptance of appointment by the successor trustee as provided in Section 8.11.

Section 8.11. Acceptance by Successor Trustee. Any successor trustee appointed as provided in Section 8.10 shall execute, acknowledge and deliver to the Company and to its predecessor trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named as trustee herein; but, nevertheless, on the written request of the Company or of the successor trustee, the trustee ceasing to act shall, upon payment of any amounts then due it pursuant to the provisions of Section 8.06, execute and deliver an instrument transferring to such successor trustee all the rights and powers of the trustee so ceasing to act. Upon request of any such successor trustee, the Company shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor trustee all such rights and powers. Any trustee ceasing to act shall, nevertheless, retain a lien upon all property and funds held or collected by such trustee as such, except for

funds held in trust for the benefit of holders of particular Notes, to secure any amounts then due it pursuant to the provisions of Section 8.06.

No successor trustee shall accept appointment as provided in this Section 8.11 unless at the time of such acceptance such successor trustee shall be qualified under the provisions of Section 8.08 and be eligible under the provisions of Section 8.09.

Upon acceptance of appointment by a successor trustee as provided in this Section 8.11, each of the Company and the successor trustee, at the written direction and at the expense of the Company shall mail or cause to be mailed notice of the succession of such trustee hereunder to the Noteholders at their addresses as they shall appear on the Note register. If the Company fails to mail such notice within ten (10) days after acceptance of appointment by the successor trustee, the successor trustee shall cause such notice to be mailed at the expense of the Company.

Section 8.12. Succession by Merger, Etc. Any corporation or other entity into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation or other entity resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation or other entity succeeding to all or substantially all of the corporate trust business of the Trustee (including the administration of this Indenture), shall be the successor to the Trustee hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, provided that in the case of any corporation or other entity succeeding to all or substantially all of the corporate trust business of the Trustee such corporation or other entity shall be qualified under the provisions of Section 8.08 and eligible under the provisions of Section 8.09.

In case at the time such successor to the Trustee shall succeed to the trusts created by this Indenture, any of the Notes shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee or authenticating agent appointed by such predecessor trustee, and deliver such Notes so authenticated; and in case at that time any of the Notes shall not have been authenticated, any successor to the Trustee or an authenticating agent appointed by such successor trustee may authenticate such Notes either in the name of any predecessor trustee hereunder or in the name of the successor trustee; and in all such cases such certificates shall have the full force which it is anywhere in the Notes or in this Indenture provided that the certificate of the Trustee shall have; provided, however, that the right to adopt the certificate of authentication of any predecessor Trustee or to

authenticate Notes in the name of any predecessor Trustee shall apply only to its successor or successors by merger, conversion or consolidation.

Section 8.13. Limitation on Rights of Trustee as Creditor. If and when the Trustee shall be or become a creditor of the Company (or any other obligor upon the Notes), after qualification under the Trust Indenture Act, the Trustee shall be subject to the provisions of the Trust Indenture Act regarding the collection of the claims against the Company (or any such other obligor).

Section 8.14. Trustee's Application for Instructions from the Company. Any application by the Trustee for written instructions from the Company (other than with regard to any action proposed to be taken or omitted to be taken by the Trustee that affects the rights of the holders of the Notes under this Indenture) may, at the option of the Trustee, set forth in writing any action proposed to be taken or omitted by the Trustee under this Indenture and the date on and/or after which such action shall be taken or such omission shall be effective. The Trustee shall not be liable for any action taken by, or omission of, the Trustee in accordance with a proposal included in such application on or after the date specified in such application (which date shall not be less than three Business Days after the date any officer that the Company has indicated to the Trustee should receive such application actually receives such application, unless any such officer shall have consented in writing to any earlier date), unless, prior to taking any such action (or the effective date in the case of any omission), the Trustee shall have received written instructions in response to such application specifying the action to be taken or omitted.

ARTICLE 9
CONCERNING THE NOTEHOLDERS

Section 9.01. Action by Noteholders. Whenever in this Indenture it is provided that the holders of a specified percentage in aggregate principal amount of the Notes may take any action (including the making of any demand or request, the giving of any notice, consent or waiver or the taking of any other action), the fact that at the time of taking any such action, the holders of such specified percentage have joined therein may be evidenced (a) by any instrument or any number of instruments of similar tenor executed by Noteholders in person or by agent or proxy appointed in writing, or (b) by the record of the Noteholders voting in favor thereof at any meeting of Noteholders duly called and held in accordance with the provisions of Article 10, or (c) by a combination of such instrument or instruments and any such record of such a meeting of Noteholders. Whenever the

Company or the Trustee solicits the taking of any action by the holders of the Notes, the Company or the Trustee may fix, but shall not be required to, in advance of such solicitation, a date as the record date for determining Noteholders entitled to take such action. The record date if one is selected shall be not more than fifteen (15) days prior to the date of commencement of solicitation of such action.

Section 9.02. Proof of Execution by Noteholders. Subject to the provisions of Section 8.01, Section 8.02 and Section 10.05, proof of the execution of any instrument by a Noteholder or its agent or proxy shall be sufficient if made in accordance with such reasonable rules and regulations as may be prescribed by the Trustee or in such manner as shall be satisfactory to the Trustee. The holding of Notes shall be proved by the Note register or by a certificate of the Note registrar. The record of any Noteholders' meeting shall be proved in the manner provided in Section 10.06.

Section 9.03. Who Are Deemed Absolute Owners. The Company, the Trustee, any authenticating agent, any Paying Agent, any Conversion Agent and any Note registrar may deem the Person in whose name a Note shall be registered upon the Note register to be, and may treat it as, the absolute owner of such Note (whether or not such Note shall be overdue and notwithstanding any notation of ownership or other writing thereon made by any Person other than the Company or any Note registrar) for the purpose of receiving payment of or on account of the principal of, premium, if any, and (subject to Section 2.03) accrued and unpaid interest and accrued and unpaid Additional Interest, if any, on such Note, for conversion of such Note and for all other purposes; and neither the Company nor the Trustee nor any Paying Agent nor any Conversion Agent nor any Note registrar shall be affected by any notice to the contrary. All such payments so made to any holder for the time being, or upon its order, shall be valid, and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for monies payable upon any such Note. Notwithstanding anything to the contrary in this Indenture or the Notes following a Default, any holder of a beneficial interest in a Global Note may directly enforce against the Company, without the consent, solicitation, proxy, authorization or any other action of the Depositary or any other Person, such holder's right to exchange such beneficial interest for a Note in certificated form in accordance with the provisions of this Indenture.

Section 9.04. Company-Owned Notes Disregarded. In determining whether the holders of the requisite aggregate principal amount of Notes have concurred in any direction, consent, waiver or other action under this Indenture,

Notes that are owned by the Company or any other obligor on the Notes or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or any other obligor on such Notes shall be disregarded and deemed not to be outstanding for the purpose of any such determination; provided that for the purposes of determining whether the Trustee shall be protected in relying on any such direction, consent, waiver or other action only Notes that a Responsible Officer knows are so owned shall be so disregarded. Notes so owned that have been pledged in good faith may be regarded as outstanding for the purposes of this Section 9.04 if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to so act with respect to such Notes and that the pledgee is not the Company, any other obligor on the Notes or a Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or any such other obligor. In the case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee. Upon request of the Trustee, the Company shall furnish to the Trustee promptly an Officers' Certificate listing and identifying all Notes, if any, known by the Company to be owned or held by or for the account of any of the above described Persons; and, subject to Section 8.01, the Trustee shall be entitled to accept such Officers' Certificate as conclusive evidence of the facts therein set forth and of the fact that all Notes not listed therein are outstanding for the purpose of any such determination.

Section 9.05. Revocation of Consents; Future Holders Bound. At any time prior to (but not after) the evidencing to the Trustee, as provided in Section 9.01, of the taking of any action by the holders of the percentage in aggregate principal amount of the Notes specified in this Indenture in connection with such action, any holder of a Note that is shown by the evidence to be included in the Notes the holders of which have consented to such action may, by filing written notice with the Trustee at its Corporate Trust Office and upon proof of holding as provided in Section 9.02, revoke such action so far as concerns such Note. Except as aforesaid, any such action taken by the holder of any Note shall be conclusive and binding upon such holder and upon all future holders and owners of such Note and of any Notes issued in exchange or substitution therefor or upon registration of transfer thereof, irrespective of whether any notation in regard thereto is made upon such Note or any Note issued in exchange or substitution therefor or upon registration of transfer thereof.

ARTICLE 10
NOTEHOLDERS' MEETINGS

Section 10.01. Purpose of Meetings. A meeting of Noteholders may be called at any time and from time to time pursuant to the provisions of this Article 10 for any of the following purposes:

(a) to give any notice to the Company or to the Trustee or to give any directions to the Trustee permitted under this Indenture, or to consent to the waiving of any Default or Event of Default hereunder and its consequences, or to take any other action authorized to be taken by Noteholders pursuant to any of the provisions of Article 7;

(b) to remove the Trustee and nominate a successor trustee pursuant to the provisions of Article 8;

(c) to consent to the execution of an indenture or indentures supplemental hereto pursuant to the provisions of Section 11.02; or

(d) to take any other action authorized to be taken by or on behalf of the holders of any specified aggregate principal amount of the Notes under any other provision of this Indenture or under applicable law.

Section 10.02. Call of Meetings by Trustee. The Trustee may at any time call a meeting of Noteholders to take any action specified in Section 10.01, to be held at such time and at such place as the Trustee shall determine. Notice of every meeting of the Noteholders, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting and the establishment of any record date pursuant to Section 9.01, shall be mailed to holders of such Notes at their addresses as they shall appear on the Note register. Such notice shall also be mailed to the Company. Such notices shall be mailed not less than twenty (20) nor more than ninety (90) days prior to the date fixed for the meeting.

Any meeting of Noteholders shall be valid without notice if the holders of all Notes then outstanding are present in person or by proxy or if notice is waived before or after the meeting by the holders of all Notes outstanding, and if the Company and the Trustee are either present by duly authorized representatives or have, before or after the meeting, waived notice.

Section 10.03. Call of Meetings by Company or Noteholders. In case at any time the Company, pursuant to a resolution of its Board of Directors, or the

holders of at least 10% in aggregate principal amount of the Notes then outstanding, shall have requested the Trustee to call a meeting of Noteholders, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have mailed the notice of such meeting within twenty (20) days after receipt of such request, then the Company or such Noteholders may determine the time and the place for such meeting and may call such meeting to take any action authorized in Section 10.01, by mailing notice thereof as provided in Section 10.02.

Section 10.04. Qualifications for Voting. To be entitled to vote at any meeting of Noteholders a Person shall (a) be a holder of one or more Notes on the record date pertaining to such meeting or (b) be a Person appointed by an instrument in writing as proxy by a holder of one or more Notes on the record date pertaining to such meeting. The only Persons who shall be entitled to be present or to speak at any meeting of Noteholders shall be the Persons entitled to vote at such meeting and their counsel and any representatives of the Trustee and its counsel and any representatives of the Company and its counsel.

Section 10.05. Regulations. Notwithstanding any other provisions of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of Noteholders, in regard to proof of the holding of Notes and of the appointment of proxies, and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall think fit.

The Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Company or by Noteholders as provided in Section 10.03, in which case the Company or the Noteholders calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of the holders of a majority in principal amount of the Notes represented at the meeting and entitled to vote at the meeting.

Subject to the provisions of Section 9.04, at any meeting of Noteholders each Noteholder or proxyholder shall be entitled to one vote for each $1,000 principal amount of Notes held or represented by him; provided, however, that no vote shall be cast or counted at any meeting in respect of any Note challenged as not outstanding and ruled by the chairman of the meeting to be not outstanding. The chairman of the meeting shall have no right to vote other than by virtue of Notes held by it or instruments in writing as aforesaid duly designating it as the

proxy to vote on behalf of other Noteholders. Any meeting of Noteholders duly called pursuant to the provisions of Section 10.02 or Section 10.03 may be adjourned from time to time by the holders of a majority of the aggregate principal amount of Notes represented at the meeting, whether or not constituting a quorum, and the meeting may be held as so adjourned without further notice.

Section 10.06. Voting. The vote upon any resolution submitted to any meeting of Noteholders shall be by written ballot on which shall be subscribed the signatures of the Noteholders or of their representatives by proxy and the outstanding principal amount of the Notes held or represented by them. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of each meeting of Noteholders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more Persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was mailed as provided in Section 10.02. The record shall show the principal amount of the Notes voting in favor of or against any resolution. The record shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting and one of the duplicates shall be delivered to the Company and the other to the Trustee to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting.

Any record so signed and verified shall be conclusive evidence of the matters therein stated.

Section 10.07. No Delay of Rights by Meeting. Nothing contained in this Article 10 shall be deemed or construed to authorize or permit, by reason of any call of a meeting of Noteholders or any rights expressly or impliedly conferred hereunder to make such call, any hindrance or delay in the exercise of any right or rights conferred upon or reserved to the Trustee or to the Noteholders under any of the provisions of this Indenture or of the Notes.

ARTICLE 11
SUPPLEMENTAL INDENTURES

Section 11.01. Supplemental Indentures Without Consent of Noteholders. The Company, when authorized by the resolutions of the Board of Directors, and

the Trustee, at the Company's expense, may from time to time and at any time enter into an indenture or indentures supplemental hereto for one or more of the following purposes:

(a) to cure any ambiguity, defect, omission or inconsistency in this Indenture in a manner that does not individually or in the aggregate adversely affect the rights of any holder of Notes in any material respect;

(b) to provide for the assumption by a Successor Company of the obligations of the Company under this Indenture pursuant to Article 12;

(c) to add guarantees with respect to the Notes;

(d) to secure the Notes;

(e) to add to the covenants of the Company such further covenants, restrictions or conditions for the benefit of the Noteholders or surrender any right or power conferred upon the Company;

(f) to comply with any requirements of the Commission in connection with the qualification of this Indenture under the Trust Indenture Act;

(g) to make provisions with respect to the conversion of the Notes as required by Section 15.03(d) or Section 15.06; or

(h) to make any other change that does not adversely affect the rights of any holder.

Upon the written request of the Company, accompanied by a Board Resolution authorizing the execution of such supplemental indenture, the Trustee is hereby authorized to join with the Company in the execution of any such supplemental indenture, to make any further appropriate agreements and stipulations that may be therein contained and to accept the conveyance, transfer and assignment of any property thereunder, but the Trustee shall not be obligated to, but may in its discretion, enter into any supplemental indenture that affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Any supplemental indenture authorized by the provisions of this Section 11.01 may be executed by the Company and the Trustee without the consent of the holders of any of the Notes at the time outstanding, notwithstanding any of the provisions of Section 11.02.

Section 11.02. Supplemental Indentures With Consent of Noteholders. With the consent (evidenced as provided in Article 9) of the holders of at least a majority in aggregate principal amount of the Notes at the time outstanding (determined in accordance with Article 9 and including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), the Company, when authorized by the resolutions of the Board of Directors, and the Trustee, at the Company's expense, may from time to time and at any time enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or any supplemental indenture or of modifying in any manner the rights of the holders of the Notes; provided, however, that no such supplemental indenture shall:

(a) reduce the percentage in aggregate principal amount of Notes outstanding necessary to modify or amend this Indenture or to waive any past default;

(b) reduce the rate or extend the stated time for payment of interest, including Additional Interest, on any Note;

(c) reduce the principal of, or extend the Maturity Date of, any Note;

(d) make any change that impairs or adversely affects the conversion rights of any Notes;

(e) reduce the Redemption Price, the Repurchase Price or the Fundamental Change Repurchase Price of any Note or amend or modify in any manner adverse to the holders of the Notes the Company's obligation to make such payments, whether through an amendment or waiver of provisions in the covenants, definitions or otherwise;

(f) make any Note payable in a currency other than that stated in the Note;

(g) impair the right of any holder to receive payment of principal of and interest, including Additional Interest, if any, on such holder's Notes on or after the due dates therefor (including, for avoidance of doubt, on any date on which holders have the option to require the Company to purchase their Notes) or to institute suit for the enforcement of any payment on or with respect to such holder's Note;

(h) modify the ranking provisions of this Indenture in a manner that is adverse to the holder of the Notes; or

(i) make any change in this Article 11 that requires each holder's consent or in the waiver provisions in Section 7.01 or Section 7.07;

in each case without the consent of each holder of an outstanding Note affected.

Upon the written request of the Company, accompanied by a copy of the Board Resolutions authorizing the execution of any such supplemental indenture, and upon the filing with the Trustee of evidence of the consent of Noteholders as aforesaid, the Trustee shall join with the Company in the execution of such supplemental indenture unless such supplemental indenture affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such supplemental indenture.

It shall not be necessary for the consent of the Noteholders under this Section 11.02 to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof. After an amendment under this Indenture becomes effective, the Company shall mail to the holders a notice briefly describing such amendment. However, the failure to give such notice to all the holders, or any defect in the notice, will not impair or affect the validity of the amendment.

Section 11.03. Effect of Supplemental Indentures. Any supplemental indenture executed pursuant to the provisions of this Article 11 shall comply with the Trust Indenture Act, as then in effect, provided that this Section 11.03 shall not require such supplemental indenture to be qualified under the Trust Indenture Act prior to the time such qualification is in fact required under the terms of the Trust Indenture Act or this Indenture has been qualified under the Trust Indenture Act, nor shall any such qualification constitute any admission or acknowledgment by any party to such supplemental indenture that any such qualification is required prior to the time such qualification is in fact required under the terms of the Trust Indenture Act or this Indenture has been qualified under the Trust Indenture Act. Upon the execution of any supplemental indenture pursuant to the provisions of this Article 11, this Indenture shall be and be deemed to be modified and amended in accordance therewith and the respective rights, limitation of rights, obligations, duties and immunities under this Indenture of the Trustee, the Company and the Noteholders shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments and all the terms and conditions of any such supplemental indenture shall be and

be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 11.04. Notation on Notes. Notes authenticated and delivered after the execution of any supplemental indenture pursuant to the provisions of this Article 11 may, at the Company's expense, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company or the Trustee shall so determine, new Notes so modified as to conform, in the opinion of the Trustee and the Board of Directors, to any modification of this Indenture contained in any such supplemental indenture may, at the Company's expense, be prepared and executed by the Company, authenticated by the Trustee (or an authenticating agent duly appointed by the Trustee pursuant to Section 17.11) and delivered in exchange for the Notes then outstanding, upon surrender of such Notes then outstanding.

Section 11.05. Evidence of Compliance of Supplemental Indenture to Be Furnished Trustee. In addition to the documents required by Section 17.05, the Trustee shall receive an Officers' Certificate and an Opinion of Counsel as conclusive evidence that any supplemental indenture executed pursuant hereto complies with the requirements of this Article 11.

ARTICLE 12
CONSOLIDATION, MERGER, SALE, CONVEYANCE AND LEASE

Section 12.01. Company May Consolidate, Etc. on Certain Terms.

Subject to the provisions of Section 12.02, the Company shall not consolidate with, merge with or into, or convey, transfer or lease all or substantially all of its assets and properties to another Person, unless:

(a) the resulting, surviving or transferee Person (the "Successor Company") if not the Company shall be a business entity organized and existing under the laws of the United States of America, any State thereof or the District of Columbia, and the Successor Company (if not the Company) shall expressly assume, by supplemental indenture, executed and delivered to the Trustee, in form satisfactory to the Trustee, all the obligations of the Company under the Notes, this Indenture and, to the extent that it is otherwise still operative, the Registration Rights Agreement;

(b) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing under this Indenture; and

(c) if such Person is not a corporation, the Company has received an opinion of nationally recognized counsel experienced in such matters to the effect that investors in the Notes will be subject to tax for U.S. federal income tax purposes with respect to their investment in the Notes after such transaction in the same amount, at the same time and otherwise in the same manner as prior to such transaction.

Upon any such consolidation, merger, conveyance, transfer or lease, the resulting, surviving or transferee (by conveyance, lease or otherwise) Person (if not the Company) shall succeed to, and may exercise every right and power of, the Company under this Indenture.

For purposes of this Section 12.01, the sale, lease, conveyance, assignment, transfer, or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of the Company, which properties and assets, if held by the Company instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Company on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Company.

Section 12.02. Successor Corporation to Be Substituted. In case of any such consolidation, merger, conveyance, transfer or lease and upon the assumption by the Successor Company, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the due and punctual payment of the principal of and premium, if any, accrued and unpaid interest and accrued and unpaid Additional Interest, if any, on all of the Notes, the due and punctual conversion of the Notes and the due and punctual performance of all of the covenants and conditions of this Indenture to be performed by the Company, such Successor Company shall succeed to and be substituted for the Company, with the same effect as if it had been named herein as the party of the first part. Such Successor Company thereupon may cause to be signed, and may issue either in its own name or in the name of the Company any or all of the Notes issuable hereunder which theretofore shall not have been signed by the Company and delivered to the Trustee; and, upon the order of such Successor Company instead of the Company and subject to all the terms, conditions and limitations in this Indenture prescribed, the Trustee shall authenticate and shall deliver, or cause to be authenticated and delivered, any Notes that previously shall have been signed and delivered by the officers of the Company to the Trustee for authentication, and any Notes that such Successor Company thereafter shall cause to be signed and delivered to the Trustee for that purpose. All the Notes so issued shall in all respects have the same legal rank and benefit under this Indenture as

the Notes theretofore or thereafter issued in accordance with the terms of this Indenture as though all of such Notes had been issued at the date of the execution hereof. In the event of any such consolidation, merger, conveyance or transfer (but not in the case of a lease), the Person named as the "Company" in the first paragraph of this Indenture or any successor that shall thereafter have become such in the manner prescribed in this Article 12 may be dissolved, wound up and liquidated at any time thereafter and, except in the case of a lease, such Person shall be released from its liabilities as obligor and maker of the Notes and from its obligations under this Indenture.

In case of any such consolidation, merger, conveyance, transfer or lease, such changes in phraseology and form (but not in substance) may be made in the Notes thereafter to be issued as may be appropriate.

Section 12.03. Opinion of Counsel to Be Given Trustee. No merger, consolidation, conveyance, transfer or lease shall be effective unless the Trustee shall receive an Officers' Certificate and an Opinion of Counsel as conclusive evidence that any such consolidation, merger, conveyance, transfer or lease and any such assumption complies with the provisions of this Article 12.

ARTICLE 13
IMMUNITY OF INCORPORATORS, STOCKHOLDERS, OFFICERS AND DIRECTORS

Section 13.01. Indenture and Notes Solely Corporate Obligations. No recourse for the payment of the principal of or premium, if any, or accrued and unpaid interest and accrued and unpaid Additional Interest, if any, on any Note, or for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Company in this Indenture or in any supplemental indenture or in any Note, or because of the creation of any indebtedness represented thereby, shall be had against any incorporator, stockholder, employee, agent, officer or director or Subsidiary, as such, past, present or future, of the Company or of any successor corporation or entity, either directly or through the Company or any successor corporation or entity, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that all such liability is hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Indenture and the issue of the Notes.

ARTICLE 14
[INTENTIONALLY OMITTED]

ARTICLE 15
CONVERSION OF NOTES

Section 15.01. Conversion Privilege.

(a) Upon compliance with the provisions of this Article 15, a Noteholder shall have the right, at such holder's option, to convert all or any portion (if the portion to be converted is $1,000 principal amount or an integral multiple thereof) of such Note (i) subject to satisfaction of the conditions described in Section 15.01(b) below, at any time prior to the close of business on the Business Day immediately preceding February 15, 2013 under the circumstances and during the periods set forth in Section 15.01(b) below, and (ii) irrespective of the conditions described in Section 15.01(b) below, on or after February 15, 2013 and prior to the close of business on the Business Day immediately preceding the Maturity Date, in each case, at an initial conversion rate (the "Conversion Rate") of 22.4618 shares of the Common Stock (subject to adjustment as provided in Section 15.04 of this Indenture) per $1,000 principal amount Note (the "Conversion Obligation").

(b) The Notes shall be convertible prior to the close of business on the Business Day immediately preceding February 15, 2013, during the five Business Day period immediately after any five consecutive Trading Day period (the "Measurement Period") in which the Trading Price per $1,000 principal amount of Notes for each day of such Measurement Period was less than 103% of the product of the Last Reported Sale Price of the Common Stock on such Trading Day and the then-applicable Conversion Rate on such Trading Day, as such Trading Prices shall be determined by the Trustee, pursuant to this clause and the definition of Trading Price set forth in this Indenture. The Trustee shall have no obligation to determine the Trading Price of the Notes unless requested by the Company and unless the Company shall have selected the three independent nationally recognized securities dealers referred to in such definition of Trading Price and provided the Trustee with the names of and contact information for such dealers, and the Company shall have no obligation to make such request unless a Noteholder provides the Company with reasonable evidence that the Trading Price per $1,000 principal amount of the Notes would be less than 103% of the product of

(a) the then-applicable Conversion Rate of the Notes and (b) the Last Reported Sale Price of the Common Stock at such time, at which time the Company shall instruct the Trustee to determine the Trading Price of the Notes beginning on the next Trading Day and on each successive Trading Day until the Trading Price per Note is greater than or equal to 103% of the product of (a) the then-applicable Conversion Rate of the Notes and (b) the Last Reported Sale Price of the Common Stock on such Trading Day. If the Trading Price condition set forth above has been met, the Company shall so notify the Noteholders, the Trustee and the Conversion Agent. If, at any time after the Trading Price condition set forth above has been met, the Trading Price per $1,000 principal amount of Notes is greater than 103% of the product of (a) the then-applicable Conversion Rate of the Notes and (b) the Last Reported Sale Price of the Common Stock on such Trading Day, the Company shall so notify the holders of the Notes, the Trustee and the Conversion Agent. In either case, the Company shall promptly publish a notice indicating that the Trading Price condition set forth above has been met or, at any time after the Trading Price condition set forth above has been met, that the Trading Price per $1,000 principal amount of Notes is greater than 103% of the product of (a) the then-applicable Conversion Rate of the Notes and (b) the Last Reported Sale Price of the Common Stock on the relevant Trading Day, as the case may be, in a newspaper of general circulation in The City of New York or publish such information on its website or through such other public medium as the Company may use at that time.

(ii) Prior to the close of business on the Business Day immediately preceding February 15, 2013, in the event that the Company elects to:

(A) distribute to all or substantially all holders of its Common Stock rights or warrants, entitling them, for a period expiring within 60 days after the record date for such distribution, to subscribe for or purchase its Common Stock at a price less than the Last Reported Sale Price of the Common Stock for the Trading Day immediately preceding the declaration date for such distribution; or

(B) distribute to all or substantially all holders of its Common Stock the Company's assets, its debt securities, or rights to purchase securities of the Company, which distribution has a per share value (as determined by the Board of Directors)

exceeding 15% of the Last Reported Sale Price of the Common Stock on the Trading Day immediately preceding the date of declaration for such distribution,

then, in each case, the Company shall notify all holders of the Notes, the Trustee and the Conversion Agent not less than 35 Business Days prior to the Ex-Dividend Date for such distribution. Once the Company has given such notice, the Notes may be surrendered for conversion at any time until the earlier of (i) the close of business on the Business Day immediately prior to such Ex-Dividend Date and (ii) the Company's announcement that such distribution will not take place, even if the Notes are not otherwise convertible at such time.

(iii) In the event of a Fundamental Change, a Noteholder may surrender Notes for conversion at any time from, and including, the effective date of such Fundamental Change until, and including, the close of business on the Fundamental Change Repurchase Date corresponding to such Fundamental Change. The Company shall give notice of the effective date of the Fundamental Change in accordance with Section Section 16.02(b) as promptly as practicable after the occurrence of such date, but in any event, within five Business Days of such effective date.

Section 15.02. Conversion Procedure.

(a) [Reserved].

(b) Subject to this Section 15.02, the Company will satisfy the Conversion Obligation with respect to each $1,000 principal amount of Notes tendered for conversion in cash and shares of fully paid Common Stock, if applicable, as follows:

(i) The Company will deliver to each converting Noteholder, on the third Business Day immediately following the last day of the related Cash Settlement Averaging Period, cash and shares of Common Stock, if any, equal to the sum of the Daily Settlement Amounts for each of the twenty-five (25) Trading Days during the related Cash Settlement Averaging Period.

(ii) The Company will also deliver to each converting Noteholder cash in lieu of fractional shares of Common Stock as set forth pursuant to clause (l) below, as the amount of such cash shall be determined by the Company.

(iii) The Daily Settlement Amounts shall be determined by the Company promptly following the last day of the Cash Settlement Averaging Period. Promptly after such determination of the Daily Settlement Amounts and the amount of cash deliverable in lieu of fractional shares, the Company shall notify the Trustee and the Conversion Agent of the Daily Settlement Amounts and the amount of such cash. The Trustee and the Conversion Agents shall have no responsibility for any such determination.

(c) [Reserved]

(d) Before any holder of a Note shall be entitled to convert the same as set forth above, such holder shall (1) in the case of a Global Note, comply with the procedures of the Depositary in effect at that time and, if required, pay funds equal to interest payable on the next Interest Payment Date to which such holder is not entitled as set forth in Section 15.02(j) and, if required, all transfer or similar taxes, if any, and (2) in the case of a Note issued in certificated form, (A) complete and manually sign and deliver an irrevocable notice to the Conversion Agent in the form on the reverse of such certificated Note (or a facsimile thereof) (Exhibit B hereto) (a "Notice of Conversion") at the office of the Conversion Agent and shall state in writing therein the principal amount of Notes to be converted and the name or names (with addresses) in which such holder wishes the certificate or certificates for any shares of Common Stock, if any, to be delivered upon settlement of the Conversion Obligation to be registered, (B) surrender such Notes, duly endorsed to the Company or in blank (and accompanied by appropriate endorsement and transfer documents), at the office of the Conversion Agent, (C) if required, pay funds equal to interest payable on the next Interest Payment Date to which such holder is not entitled as set forth in Section 15.02(j), (D) if required, furnish appropriate endorsements and transfer documents, and (E) if required, pay all transfer or similar taxes, if any. The Trustee (and if different, the relevant Conversion Agent) shall notify the Company of any conversion pursuant to this Article 15 on the date of such conversion. No Notice of Conversion with respect to any Notes may be tendered by a holder thereof if such holder has also tendered a Fundamental Change Repurchase Notice or Repurchase Notice, as the case may be, and not validly withdrawn such Fundamental Change Repurchase Notice or Repurchase Notice, as the case may be, in accordance with Section 16.03.

If more than one Note shall be surrendered for conversion at one time by the same holder, the Conversion Obligation with respect to such Notes, if any, that shall be payable upon conversion shall be computed on the basis of the

aggregate principal amount of the Notes (or specified portions thereof to the extent permitted thereby) so surrendered.

(e) A Note shall be deemed to have been converted immediately prior to the close of business on the date (the "Conversion Date") that the holder has complied with the requirements set forth in clause (d). Payment of the shares of Common Stock in cash and shares of Common Stock, if any, pursuant to Section 15.02(b) in satisfaction of the Conversion Obligation shall be made by the Company in no event later than the date specified in Section 15.02(b) by paying such cash and delivering shares of such Common Stock, if any (in each case, together with any cash in lieu of fractional shares), to the holder of a Note surrendered for conversion, or such holder's nominee or nominees, and issuing or causing to be issued, and delivering to the Conversion Agent or to such holder, or such holder's nominee or nominees, certificates or a book-entry transfer through the Depositary for the number of full shares of Common Stock to which such holder shall be entitled as part of such Conversion Obligation (together with any cash in lieu of fractional shares).

(f) In case any Note shall be surrendered for partial conversion, the Company shall execute and the Trustee shall authenticate and deliver to or upon the written order of the holder of the Note so surrendered, without charge to such holder, a new Note or Notes in authorized denominations in an aggregate principal amount equal to the unconverted portion of the surrendered Note.

(g) If a holder submits a Note for conversion, the Company shall pay all stamp and other duties, if any, that may be imposed by the United States or any political subdivision thereof or taxing authority thereof or therein with respect to the issuance of shares of Common Stock, if any, upon the conversion. However, the holder shall pay any such tax that is due because the holder requests any shares of Common Stock to be issued in a name other than the holder's name. The Conversion Agent may refuse to deliver the certificates representing the shares of Common Stock being issued in a name other than the holder's name until the Trustee receives a sum sufficient to pay any tax that will be due because the shares are to be issued in a name other than the holder's name. Nothing herein shall preclude any tax withholding required by law or regulations.

(h) Except as provided in Section 15.04, no adjustment shall be made for dividends on any shares issued upon the conversion of any Note as provided in this Article.

(i) Upon the conversion of an interest in a Global Note, the Trustee, or the Custodian at the direction of the Trustee, shall make a notation on such Global

Note as to the reduction in the principal amount represented thereby. The Company shall notify the Trustee in writing of any conversion of Notes effected through any Conversion Agent other than the Trustee.

(j) Upon conversion, a Noteholder shall not receive any separate cash payment for accrued and unpaid interest and Additional Interest, if any, except as set forth below. The Company's settlement of the Conversion Obligations as described above shall be deemed to satisfy its obligation to pay the principal amount of the Note and accrued and unpaid interest and Additional Interest, if any, to, but not including, the Conversion Date. As a result, accrued and unpaid interest and Additional Interest, if any, to, but not including, the Conversion Date shall be deemed to be paid in full rather than cancelled, extinguished or forfeited. Notwithstanding the preceding sentence, if Notes are converted after the close of business on a record date, holders of such Notes as of the close of business on the record date will receive the interest and Additional Interest, if any, payable on such Notes on the corresponding Interest Payment Date notwithstanding the conversion. Notes surrendered for conversion during the period from the close of business on any regular record date to the opening of business on the corresponding Interest Payment Date must be accompanied by payment of an amount equal to the interest and Additional Interest, if any, payable on the Notes so converted; provided, however, that no such payment need be made (1) if the Company has specified a Fundamental Change Repurchase Date that is after a record date but on or prior to the next succeeding Interest Payment Date, (2) if the Company has specified a Redemption Date that is after a record date and on or prior to the Business Day immediately following the next Interest Payment Date or (3) to the extent of any overdue interest, if any, existing at the time of conversion with respect to such Note. Except as described above, no payment or adjustment will be made for accrued interest on converted Notes.

(k) The Person in whose name the certificate for such shares of Common Stock is registered shall be treated as a stockholder of record as of the close of business on the last day of the Cash Settlement Averaging Period; provided, however, if the last day of the Cash Settlement Averaging Period occurs on any date when the stock transfer books of the Company shall be closed, such occurrence shall not be effective to constitute the Person or Persons entitled to receive the shares of Common Stock upon such conversion as the record holder or holders of such shares of Common Stock on such date, but such occurrence shall be effective to constitute the Person or Persons entitled to receive such shares of Common Stock as the record holder or holders thereof for all purposes at the close of business on the next succeeding day on which such stock transfer books are open. Upon conversion of Notes, such Person shall no longer be a Noteholder.

(l) No fractional shares of Common Stock shall be issued upon conversion of any Note or Notes. If more than one Note shall be surrendered for conversion at one time by the same holder, the number of full shares that shall be issued upon conversion thereof shall be computed on the basis of the aggregate principal amount of the Notes (or specified portions thereof) so surrendered. Instead of any fractional share of Common Stock that would otherwise be issued upon conversion of any Note or Notes (or specified portions thereof), the Company shall pay a cash adjustment in respect of such fraction (calculated to the nearest one-100th of a share), as determined by the Company, in an amount equal to the same fraction of the Last Reported Sale Price of the Common Stock on the last day of the applicable Cash Settlement Averaging Period.

Section 15.03. Increased Conversion Rate Applicable to Certain Notes Surrendered in Connection With Make-Whole Fundamental Changes.

(a) Notwithstanding anything herein to the contrary, the Conversion Rate applicable to each Note that is surrendered for conversion, in accordance with this Article 15, at any time from, and including, the effective date of a Make-Whole Fundamental Change until, and including, the close of business on the Fundamental Change Repurchase Date corresponding to such Make-Whole Fundamental Change, shall be increased to an amount equal to the Conversion Rate that would, but for this Section 15.03, otherwise apply to such Note pursuant to this Article 15, plus an amount equal to the Make-Whole Conversion Rate Adjustment; provided, however, that such increase to the Conversion Rate shall not apply if such Make-Whole Fundamental Change constitutes a Public Acquiror Change of Control with respect to which the Company shall have duly made, and given full effect to, an election, pursuant to and in accordance with Section 15.03(c), to make an Acquiror Stock Conversion Right Adjustment.

As used herein, "Make-Whole Conversion Rate Adjustment" shall mean, with respect to each Make-Whole Fundamental Change and each applicable Note, an amount equal to the Applicable Increase. As used herein, "Applicable Increase" shall mean, with respect to a Make-Whole Fundamental Change, the amount set forth in the following table that corresponds to the effective date of such Make-Whole Fundamental Change (the "Effective Date") and the Stock Price of such Make-Whole Fundamental Change, all as determined by the Company:

	Applicable Increase (per $1,000 principal amount of Notes)

	Stock price								
Effective Date	$37.10	$48.00	$58.00	$68.00	$78.00	$88.00	$98.00	$108.00	$118.00
March 8, 2006	4.4923	2.2848	1.3491	0.8472	0.5538	0.3703	0.2494	0.1667	0.1089
March 15, 2007	4.4923	2.2453	1.2866	0.7877	0.5049	0.3324	0.2209	0.1457	0.0934
March 15, 2008	4.4923	2.1491	1.1833	0.7021	0.4403	0.2854	0.1872	0.1219	0.0769
March 15, 2009	4.4923	2.0283	1.0547	0.5994	0.3655	0.2332	0.1517	0.0981	0.0613
March 15, 2010	4.4923	1.8233	0.8681	0.4630	0.2729	0.1720	0.1115	0.0717	0.0441
March 15, 2011	4.4923	1.5258	0.6154	0.2970	0.1702	0.1086	0.0719	0.0466	0.0282
March 15, 2012	4.4923	1.0214	0.2826	0.1182	0.0723	0.0500	0.0344	0.0222	0.0125
March 15, 2013	4.4923	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

provided, however, that:

(i) if the actual Stock Price of such Make-Whole Fundamental Change is between two Stock Prices listed in the table above under the column titled "Stock Price," or if the actual Effective Date of such Make-Whole Fundamental Change is between two Effective Dates listed in the table above in the row immediately below the title "Effective Date," then the Applicable Increase for such Make-Whole Fundamental Change shall be determined by the Company by linear interpolation between the Applicable Increases set forth for such two Stock Prices, or for such two Effective Dates based on a three hundred and sixty-five day year, as applicable;

(ii) if the actual Stock Price of such Make-Whole Fundamental Change is greater than $118.00 per share (subject to adjustment as provided in Section 15.04), or if the actual Stock Price of such Make-Whole Fundamental Change is less than $37.10 per share (subject to adjustment as provided in Section 15.04), then the Applicable Increase shall be equal to zero (0) and this Section 15.03 shall not require the Company to increase the Conversion Rate with respect to such Make-Whole Fundamental Change;

(iii) if an event occurs that requires, pursuant to this Article 15 (other than solely pursuant to this Section 15.03), an adjustment to the Conversion Rate, then, on the date and at the time such adjustment is so required to be made, each price set forth in the table above under the column titled "Stock Price" shall be deemed to be adjusted so that such Stock Price, at and after such time, shall be equal to the product of (1) such Stock Price as in effect immediately before such adjustment to such Stock 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 this Article 15, immediately after such adjustment to the Conversion Rate;

(iv) In the case of a Make-Whole Fundamental Change that is a Fundamental Change pursuant to clause (ii) of the definition thereof, upon effectiveness of such Make-Whole Fundamental Change, the Notes will be convertible into cash and Reference Property as described in Section 15.06;

(v) Each Applicable Increase amount set forth in the table above shall be adjusted in the same manner in which, and for the same events for which, the Conversion Rate is to be adjusted pursuant to Section 15.03 through Section 15.04; and

(vi) in no event will the total number of shares of Common Stock issuable upon conversion of the Notes exceed 26.9541 per $1,000 principal amount of Notes, subject to adjustment in the same manner as the Conversion Rate pursuant to Section 15.04.

(b) At least fifteen (15) Business Days before the anticipated effective date of any proposed Make-Whole Fundamental Change, the Company shall mail to each Holder, the Trustee and the Conversion Agent written notice of, and shall publicly announce, through a public medium that is customary for such announcements, and publish on the Company's website, the anticipated effective date of such proposed Make-Whole Fundamental Change. Each such notice, announcement and publication shall also state (i) that the Company either (a) has elected, in accordance with Section 15.03(c), to make an Acquiror Stock Conversion Right Adjustment with respect to such Make-Whole Fundamental Change in lieu of increasing the Conversion Rate pursuant to Section 15.04 or (b) has elected not to make an Acquiror Stock Conversion Right Adjustment with respect to such Make-Whole Fundamental Change; and (ii) if the Company has elected not to make such Acquiror Stock Conversion Right Adjustment with respect to such Make-Whole Fundamental Change, that, in connection with such Make-Whole Fundamental Change, the Company shall increase, in accordance herewith, the Conversion Rate applicable to Notes entitled as provided herein to such increase (along with a description of how such increase shall be calculated and the time periods during which Notes must be surrendered in order to be entitled to such increase). No later than the actual Effective Date of each Make-Whole Fundamental Change, the Company shall mail to each Noteholder, the Trustee and the Conversion Agent written notice of, and shall publicly announce, through a public medium that is customary for such announcements, and publish

on the Company's website, such Effective Date and the amount by which the Conversion Rate has been so increased.

(c) Notwithstanding anything to the contrary in this Section 15.03, in the case of a Make-Whole Fundamental Change constituting a public Acquiror Change of Control, the Company shall have the right at its sole option to, in lieu of increasing the Conversion Rate as described in Section 15.03(a), elect to adjust the Conversion Rate and the related Conversion Obligation such that from and after the Effective Date of such Public Acquiror Change of Control, holders of the Notes will be entitled to convert their Notes (subject to the satisfaction of the conditions to conversions described in Section 15.01) into cash and shares of Public Acquiror Common Stock, at the adjusted Conversion Rate as provided in this Section 15.03(c), but will not be entitled to an increased Conversion Rate upon conversion as described in Section 15.03(a), such that, from and after the effective time of such Public Acquiror Change of Control, the right of each Holder of any Note to convert such Note into cash, shares of the Common Stock, if any, and cash for fractional shares shall be changed into the right to convert such Note into cash and shares of Public Acquiror Common Stock applicable to such Public Acquiror Change of Control, if any, at an initial Conversion Rate (which shall take effect at such effective time, but that shall thereafter be subject to adjustment in the same manner in which, and for the same events for which, the Conversion Rate is to be adjusted pursuant to this Article 15) equal to the Conversion Rate in effect immediately before such effective time multiplied by a fraction:

(i) the numerator of which will be (i) in the case of a share exchange, exchange offer, tender offer, consolidation, merger or binding share exchange pursuant to which the Common Stock is converted into cash, securities or other property, the average value of all cash and any other consideration (as determined by the Company's Board of Directors) paid or payable per share of Common Stock or (ii) in the case of any other Public Acquiror Change of Control, the average of the Last Reported Sale Prices of the Common Stock for the five consecutive Trading Days prior to but excluding the effective date of such Public Acquiror Change of Control, as determined by the Company, and

(ii) the denominator of which will be the average of the Last Reported Sale Prices of the Public Acquiror Common Stock for the five consecutive Trading Days commencing on the Trading Day next succeeding the effective date of such Public Acquiror Change of Control, as determined by the Company.

Any such change in the right to convert the Notes in accordance with this Section 15.03 is herein referred to as an "Acquiror Stock Conversion Right Adjustment." In addition, upon a Public Acquiror Change of Control, in lieu of converting Notes, the holder may, subject to certain conditions, require the Company to repurchase all or a portion of its Notes as provided in Article 16.

(d) If the Company shall have elected, in accordance with this Section 15.03, to make an Acquiror Stock Conversion Right Adjustment with respect to a Public Acquiror Change of Control, then:

(i) holders may convert their Notes (subject to the satisfaction of the conditions under Section 15.01) into cash and shares of Public Acquiror Common Stock, if any, as described in Section 15.02 as if all references therein to "Common Stock" were instead references to "Public Acquiror Common Stock" at the adjusted Conversion Rate described in subsection (c) of this Section 15.03 but will not be entitled to an increased Conversion Rate upon conversion as described under Section 15.03(a) in connection with such Public Acquiror Change of Control;

(ii) the Company shall cause there to be executed and delivered to the Trustee a supplemental indenture in form reasonably satisfactory to the Trustee, which supplemental indenture shall (A) give due effect to such election in accordance with this Section 15.03, including, without limitation, evidencing a binding and enforceable obligation of the issuer of the applicable Public Acquiror Common Stock to satisfy the right of Holders to convert Notes in accordance with this Article 15 and this Section 15.03; (B) be executed by, without limitation, such issuer; (C) contain such additional provisions, if any, necessary to protect the interests of the Holders of the Notes as the Board of Directors in good faith shall reasonably determine (which determination shall be described in a Board Resolution); and (D) be in full force and effect no later than the effective time of such Public Acquiror Change of Control;

(iii) the Company shall promptly file with the Trustee an Officers' Certificate briefly stating the reasons for such supplemental indenture, the nature of the change in the conversion right pursuant to such Acquiror Stock Conversion Right Adjustment and the Conversion Rate as adjusted therefor; and

(iv) such election shall be irrevocable with respect to such Public Acquiror Change of Control and shall be deemed to have been made at the time the Company shall, with respect to such Public Acquiror

Change of Control, mail the first notice, or make the first public announcement or publication, whichever shall occur earlier, referred to in Section 15.03(b) (it being understood that the Company shall discharge its obligations hereunder in good faith in determining whether an announced transaction and a completed transaction are deemed, for purposes of this clause (iv), to be the same Public Acquiror Change of Control despite differences in the announced terms and the terms as such transaction was consummated);

provided, however, that the Company shall not be required to give effect to such election to make an Acquiror Stock Conversion Right Adjustment with respect to such Public Acquiror Change of Control if such Public Acquiror Change of Control is not consummated.

For avoidance of doubt, (x) any change, pursuant to this Section 15.03, in the right of Holders to convert Notes shall apply to all holders and (y) the provisions of this Section 15.03 shall not affect or diminish the Company's obligations, if any, pursuant to Article 12 with respect to a Public Acquiror Change of Control or Make-Whole Fundamental Change.

Nothing in this Section 15.03 shall prevent an adjustment to the Conversion Rate pursuant to Section 15.04 in respect of a Make-Whole Fundamental Change or a Public Acquiror Change of Control.

Section 15.04. Adjustment of Conversion Rate. The Conversion Rate shall be adjusted from time to time by the Company as follows:

(a) In case the Company shall issue shares of Common Stock as a dividend or distribution to all holders of the outstanding Common Stock, on shares of Common Stock, or if the Company effects a share split or share combination, the Conversion Rate will be adjusted based on the following formula:

$$CR(1)=CR(0)X\ OS(1)/OS(O)$$

where

CR(0) = the Conversion Rate in effect immediately prior to the Ex-Dividend Date for such dividend or distribution, or the effective date of such share split or share combination, as the case may be;

CR(1) = the Conversion Rate in effect immediately after such event;

OS(0) = the number of shares of Common Stock outstanding immediately prior to the Ex-Dividend Date for such dividend or distribution, or the effective date of such share split or share combination, as the case may be; and

OS(1) = the number of shares of Common Stock outstanding immediately after such dividend, distribution, share split or share combination, as the case may be.

Such adjustment shall become effective immediately after 9:00 a.m., New York City time, on the Ex-Dividend Date fixed for such dividend. If any dividend or distribution of the type described in this Section 15.04(a) is declared but not so paid or made, or the outstanding shares of Common Stock are not subdivided or combined, as the case may be, the Conversion Rate shall be immediately readjusted, effective as of the date the Board of Directors determines not to pay such dividend or distribution, or subdivide or combine the outstanding shares of Common Stock, as the case may be, to the Conversion Rate that would then be in effect if such dividend, distribution, subdivision or combination had not been declared.

(b) In case the Company shall distribute to all or substantially all holders of its Common Stock any rights or warrants entitling them for a period expiring within sixty (60) calendar days after the date of distribution to subscribe for or purchase shares of the Common Stock, at a price per share less than the Last Reported Sale Price of the Common Stock on the Trading Day immediately preceding the declaration date for such distribution, the Conversion Rate shall be adjusted based on the following formula:

$$CR(1)=CR(0) \times OS(0) + X / OS(0) + Y$$

where

CR(0) = the Conversion Rate in effect immediately prior to the Ex-Dividend Date for such distribution;

CR(1) = the Conversion Rate in effect immediately after the Ex-Dividend Date for such distribution;

OS(0)	=	the number of shares of the Common Stock that are outstanding immediately prior to the Ex-Dividend Date for such distribution;
X	=	the total number of shares of the Common Stock issuable pursuant to such rights or warrants; and
Y	=	the number of shares of the Common Stock equal to the aggregate price payable to exercise such rights or warrants, divided by the average of the Last Reported Sale Prices of Common Stock over the ten consecutive Trading Day period ending on the Trading Day immediately preceding the Ex-Dividend Date relating to such distribution of such rights or warrants.

Such adjustment shall be successively made whenever any such rights or warrants are distributed and shall become effective immediately after 9:00 a.m., New York City time, on the Ex-Dividend Date for such distribution. The Company shall not issue any such rights or warrants in respect of shares of the Common Stock held in treasury by the Company. To the extent that shares of the Common Stock are not delivered after the expiration of such rights or warrants, the Conversion Rate shall be readjusted to the Conversion Rate that would then be in effect had the adjustments made upon the issuance of such rights or warrants been made on the basis of delivery of only the number of shares of Common Stock actually delivered. If such rights or warrants are not so issued, the Conversion Rate shall again be adjusted to be the Conversion Rate that would then be in effect if such Ex-Dividend Date for such distribution had not been fixed.

In determining whether any rights or warrants entitle the holders to subscribe for or purchase shares of the Common Stock at less than such Last Reported Sale Price of the Common Stock, and in determining the aggregate offering price of such shares of the Common Stock, there shall be taken into account any consideration received by the Company for such rights or warrants and any amount payable on exercise or conversion thereof, the value of such consideration, if other than cash, to be determined by the Board of Directors.

(c) In case the Company shall distribute shares of its Capital Stock, evidences of its indebtedness or other of its assets or property other than (x) dividends or distributions and rights or warrants as covered by Section 15.04(a) and Section 15.04(b), (y) dividends or distributions paid exclusively in cash, and (z) Spin-Offs to which the provisions set forth below in this Section 15.04(c) shall apply (any of such shares of Capital Stock, indebtedness, or other asset or

property hereinafter in this Section 15.04(c) called the "Distributed Property"), to all or substantially all holders of its Common Stock, then, in each such case the Conversion Rate shall be adjusted based on the following formula:

$$CR(1)=CR(0) \times SP(0)/SP(0) - FMV$$

where

CR(0)	=	the Conversion Rate in effect immediately prior to the Ex-Dividend Date for such distribution;
CR(1)	=	the Conversion Rate in effect immediately after the Ex-Dividend Date for such distribution;
SP(0)	=	the average of the Last Reported Sale Prices of the Common Stock over the ten consecutive Trading Day period ending on the Trading Day immediately preceding the Ex-Dividend Date for such distribution; and
FMV	=	the fair market value (as determined by the Board of Directors) of the shares of Capital Stock, evidences of indebtedness, assets or property distributed with respect to each outstanding share of the Common Stock on the Ex-Dividend Date for such distribution.

Such adjustment shall become effective immediately prior to 9:00 a.m., New York City time, on the Ex-Dividend Date for such distribution; provided that if the then fair market value (as so determined) of the portion of the Distributed Property so distributed applicable to one share of Common Stock is equal to or greater than SP0 as set forth above, in lieu of the foregoing adjustment, adequate provision shall be made so that each Noteholder shall have the right to receive on the date on which the Distributed Property is distributed to holders of Common Stock, for each $1,000 principal amount of Notes upon conversion, the amount of Distributed Property such holder would have received had such holder owned a number of shares of Common Stock equal to the Conversion Rate on the Record Date for such distribution. If such distribution is not so paid or made, the Conversion Rate shall again be adjusted to be the Conversion Rate that would then be in effect if such dividend or distribution had not been declared. If the Board of Directors determines the fair market value of any distribution for purposes of this Section 15.04(c) by reference to the actual or when issued trading

market for any securities, it must in doing so consider the prices in such market over the same period used in computing the Last Reported Sale Prices of the Common Stock over the ten consecutive Trading Day period ending on the Trading Day immediately preceding the Ex-Dividend Date for such distribution.

With respect to an adjustment pursuant to this Section 15.04(c) where there has been a payment of a dividend or other distribution on the Common Stock of shares of Capital Stock of any class or series, or similar equity interest, of or relating to a Subsidiary or other business unit (a "Spin-Off"), the Conversion Rate in effect immediately before 5:00 p.m., New York City time, on the tenth Trading Day immediately following, and including, the effective date of the Spin-Off will be increased based on the following formula:

$$CR(1)=CR(0) \times FMV(0) + MP(0)/MP(0)$$

where

CR(00	=	the Conversion Rate in effect immediately prior to the tenth Trading Day immediately following, and including, the effective date of the Spin-Off;
CR(1)	=	the Conversion Rate in effect immediately after the tenth Trading Day immediately following, and including, the effective date of the Spin-Off;
FMV(0)	=	the average of the Last Reported Sale Prices of the Capital Stock or similar equity interest distributed to holders of the Common Stock applicable to one share of the Common Stock over the first ten consecutive Trading Day period after (and including) the effective date of the Spin-Off; and
MP(0)	=	the average of the Last Reported Sale Prices of the Common Stock over the first ten consecutive Trading Day period after (and including) the effective date of the Spin-Off.

The adjustment to the Conversion Rate under the preceding paragraph shall occur on the tenth Trading Day immediately following, and including, the effective date of the Spin-Off.

Rights or warrants distributed by the Company to all holders of its Common Stock entitling the holders thereof to subscribe for or purchase shares of the Company's Capital Stock, including Common Stock, (either initially or under certain circumstances), which rights or warrants, until the occurrence of a specified event or events ("Trigger Event"): (i) are deemed to be transferred with such shares of the Common Stock; (ii) are not exercisable; and (iii) are also issued in respect of future issuances of the Common Stock, shall be deemed not to have been distributed for purposes of this Section 15.04 (and no adjustment to the Conversion Rate under this Section 15.04 will be required) until the occurrence of the earliest Trigger Event, whereupon such rights and warrants shall be deemed to have been distributed and an appropriate adjustment (if any is required) to the Conversion Rate shall be made under this Section 15.04(c). If any such right or warrant, including any such existing rights or warrants distributed prior to the date of this Indenture, are subject to events, upon the occurrence of which such rights or warrants become exercisable to purchase different securities, evidences of indebtedness or other assets, then the date of the occurrence of any and each such event shall be deemed to be the date of distribution and Ex-Dividend Date with respect to new rights or warrants with such rights (and a termination or expiration of the existing rights or warrants without exercise by any of the holders thereof). In addition, in the event of any distribution (or deemed distribution) of rights or warrants, or any Trigger Event or other event (of the type described in the preceding sentence) with respect thereto that was counted for purposes of calculating a distribution amount for which an adjustment to the Conversion Rate under this Section 15.04 was made, (1) in the case of any such rights or warrants that shall all have been redeemed or repurchased without exercise by any holders thereof, the Conversion Rate shall be readjusted upon such final redemption or repurchase to give effect to such distribution or Trigger Event, as the case may be, as though it were a cash distribution, equal to the per share redemption or repurchase price received by a holder or holders of Common Stock with respect to such rights or warrants (assuming such holder had retained such rights or warrants), made to all holders of Common Stock as of the date of such redemption or repurchase, and (2) in the case of such rights or warrants that shall have expired or been terminated without exercise by any holders thereof, the Conversion Rate shall be readjusted as if such rights and warrants had not been issued.

For purposes of this Section 15.04(c), Section 15.04(a), and Section 15.04(b), any dividend or distribution to which this Section 15.04(c) is applicable that also includes shares of Common Stock, or rights or warrants to subscribe for or purchase shares of Common Stock to which Section 15.04(b) applies (or both), shall be deemed instead to be (1) a dividend or distribution of the evidences of

indebtedness, assets or shares of capital stock other than such shares of Common Stock or rights or warrants to which Section 15.04(b) applies (and any Conversion Rate adjustment required by this Section 15.04(c) with respect to such dividend or distribution shall then be made) immediately followed by (2) a dividend or distribution of such shares of Common Stock or such rights or warrants (and any further Conversion Rate adjustment required by Section 15.04(a) and Section 15.04(b) with respect to such dividend or distribution shall then be made), except (A) the Ex-Dividend Date of such dividend or distribution shall be substituted as "the Ex-Dividend Date," "the Ex-Dividend Date relating to such distribution of such rights or warrants" and "the Ex-Dividend Date for such distribution" within the meaning of Section 15.04(a) and Section 15.04(b) and (B) any shares of Common Stock included in such dividend or distribution shall not be deemed "outstanding immediately prior to the Ex-Dividend Date for such dividend or distribution, or the effective date of such share split or share combination, as the case may be" within the meaning of Section 15.04(a) or "outstanding immediately prior to the Ex-Dividend Date for such dividend or distribution" within the meaning of Section 15.04(b).

(d) (i) If any regular, quarterly cash dividend or distribution made to all or substantially all holders of its Common Stock during any quarterly fiscal period does not equal the Initial Dividend Threshold, the Conversion Rate shall be adjusted based on the following formulas:

(A) If the per share amount of such regular, quarterly cash dividend or distribution is greater than the Initial Dividend Threshold, the Conversion Rate will be adjusted based on the following formula:

$$CR(1)=CR(0) \times SP(0)/SP(0)-C$$

where

CR0	=	the Conversion Rate in effect immediately prior to the Ex-Dividend Date for such dividend or distribution;
CR(1)	=	the Conversion Rate in effect immediately after the Ex-Dividend Date for such dividend or distribution;

SP(0) = the Last Reported Sale Price of the Common Stock on the Trading Day immediately preceding the Ex-Dividend Date for such dividend or distribution; and

C = the amount in cash per share the Company distributes to holders of its Common Stock in excess of the Initial Dividend Threshold.

Such adjustment shall become effective immediately after 9:00 a.m., New York City time, on the Ex-Dividend Date for such dividend or distribution; provided that if the portion of the cash so distributed applicable to one share of the Common Stock is equal to or greater than SP0 as above, in lieu of the foregoing adjustment, adequate provision shall be made so that each Noteholder shall have the right to receive on the date on which the Distributed Property is distributed to holders of Common Stock, for each $1,000 principal amount of Notes upon conversion, the amount of cash such holder would have received had such holder owned a number of shares equal to the Conversion Rate on the Record Date for such distribution. If such dividend or distribution is not so paid or made, the Conversion Rate shall again be adjusted to be the Conversion Rate that would then be in effect if such dividend or distribution had not been declared.

(B) If the per share amount of such regular, quarterly cash dividend or distribution is less than the Initial Dividend Threshold, the Conversion Rate will be adjusted based on the following formula:

$$CR(1)=CR(0) \times SP(0)/SP(0)+C$$

where

CR(0) = the Conversion Rate in effect immediately prior to the Ex-Dividend Date for such dividend or distribution;

CR(1) = the Conversion Rate in effect immediately after the Ex-Dividend Date for such dividend or distribution;

SP(0) = the Last Reported Sale Price of the Common Stock on the Trading Day immediately preceding the Ex-Dividend Date for such dividend or distribution; and

C = the Initial Dividend Threshold minus the amount in cash per share the Company distributes to holders of its Common Stock.

Such adjustment shall become effective immediately after 9:00 a.m., New York City time, on the Ex-Dividend Date for such dividend or distribution. If such dividend or distribution is not so paid or made, the Conversion Rate shall again be adjusted to be the Conversion Rate that would then be in effect if such dividend or distribution had not been declared.

(ii) If the Company pays any cash dividend or distribution that is not a regular, quarterly cash dividend or distribution to all or substantially all holders of the Common Stock, the Conversion Rate will be adjusted based on the following formula:

$$CR(1)=CR(0) \times SP(0)/SP(0)-C$$

where

CR(0) = the Conversion Rate in effect immediately prior to the Ex-Dividend Date for such dividend or distribution;

CR(1) = the Conversion Rate in effect immediately after the Ex-Dividend Date for such dividend or distribution;

SP(0) = the Last Reported Sale Price of the Common Stock on the Trading Day immediately preceding the Ex-Dividend Date for such dividend or distribution; and

C = the amount in cash per share the Company distributes to holders of its Common Stock.

Such adjustment shall become effective immediately after 9:00 a.m., New York City time, on the Ex-Dividend Date for such dividend or distribution; provided that if the portion of the cash so distributed applicable to one share of the Common Stock is equal to or greater than SP0 as above, in lieu of the foregoing adjustment, adequate provision shall

be made so that each Noteholder shall have the right to receive on the date on which the Distributed Property is distributed to holders of Common Stock, for each $1,000 principal amount of Notes upon conversion, the amount of cash such holder would have received had such holder owned a number of shares equal to the Conversion Rate on the Record Date for such distribution. If such dividend or distribution is not so paid or made, the Conversion Rate shall again be adjusted to be the Conversion Rate that would then be in effect if such dividend or distribution had not been declared.

(iii) For the avoidance of doubt, for purposes of this Section 15.04(d), in the event of any reclassification of the Common Stock, as a result of which the Notes become convertible into more than one class of Common Stock, if an adjustment to the Conversion Rate is required pursuant to this Section 15.04(d), references in this Section to one share of Common Stock or Last Reported Sale Price of one share of Common Stock shall be deemed to refer to a unit or to the price of a unit consisting of the number of shares of each class of Common Stock into which the Notes are then convertible equal to the numbers of shares of such class issued in respect of one share of Common Stock in such reclassification. The above provisions of this paragraph shall similarly apply to successive reclassifications.

(e) If the Company or any of its Subsidiaries makes a payment in respect of a tender offer or exchange offer that is subject to the tender offer rules, then, to the extent that the cash and value of any other consideration included in the payment per share of the Common Stock exceeds the Last Reported Sale Price of the Common Stock on the Trading Day next succeeding the last date on which tenders or exchanges may be made pursuant to such tender or exchange offer, the Conversion Rate shall be increased based on the following formula:

$$CR(1)=CR(0) \times AC + (SP(1) \times OS(1))/OS(0) \times SP(1)$$

where

CR(0) = the Conversion Rate in effect on the date such tender or exchange offer expires;

CR(1) = the Conversion Rate in effect on the day next succeeding the date such tender or exchange offer expires;

AC = the aggregate value of all cash and any other consideration (as determined by the Board of Directors) paid or payable for shares of Common Stock purchased in such tender or exchange offer;

OS(0) = the number of shares of Common Stock outstanding immediately prior to the date such tender or exchange offer expires;

OS(1) = the number of shares of Common Stock outstanding immediately after the date such tender or exchange offer expires; and

SP(1) = the average of the Last Reported Sale Prices of Common Stock over the ten consecutive Trading Day period commencing on the Trading Day next succeeding the date such tender or exchange offer expires,

such adjustment to become effective immediately prior to the opening of business on the day following the last date on which tenders or exchanges may be made pursuant to such tender or exchange offer. If the Company is obligated to purchase shares pursuant to any such tender or exchange offer, but the Company is permanently prevented by applicable law from effecting any or all or any portion of such purchases or all such purchases are rescinded, the Conversion Rate shall again be adjusted to be the Conversion Rate that would then be in effect if such tender or exchange offer had not been made or had been made only in respect of the purchases that had been effected.

(f) No adjustment to the Conversion Rate (other than an adjustment (i) in connection with a share combination as described in Section 15.04(a) or (ii) pursuant to Section 15.04(d)(i)(B)) will be made if the application of the foregoing formulae would result in a decrease in the Conversion Rate. In addition, no adjustment to the Conversion Rate shall be made to the extent that the adjustment would reduce the Conversion Price below the par value per share of the Common Stock. For purposes of this Section 15.04, the term "Record Date" shall mean, with respect to any dividend, distribution or other transaction or event in which the holders of Common Stock (or other security) have the right to receive any cash, securities or other property or in which the Common Stock (or other applicable security) is exchanged for or converted into any combination of cash, securities or other property, the date fixed for determination of stockholders entitled to receive such cash, securities or other property (whether such date is fixed by the Board of Directors or by statute, contract or otherwise).

(g) Except as stated herein, the Company shall not adjust the Conversion Rate for the issuance of shares of its Common Stock or any securities convertible into or exchangeable for shares of its Common Stock or the right to purchase shares of its Common Stock or such convertible or exchangeable securities.

(h) The Initial Dividend Threshold shall be subject to adjustment in a manner inversely proportional to adjustments to the Conversion Rate made pursuant to this Section 15.04; provided that no adjustment will be made to the Initial Dividend Threshold for any adjustment made to the Conversion Rate pursuant to Section 15.04(d)(i).

(i) In addition to those required by clauses (a), (b), (c), (d) and (e) of this Section 15.04, and to the extent permitted by applicable law and subject to the applicable rules of the New York Stock Exchange, the Company from time to time may increase the Conversion Rate by any amount for a period of at least twenty (20) Business Days if the Board of Directors determines that such increase would be in the Company's best interest. In addition, the Company may also (but is not required to) increase the Conversion Rate to avoid or diminish any income tax to holders of Common Stock or rights to purchase Common Stock in connection with any dividend or distribution of shares (or rights to acquire shares) or similar event. Whenever the Conversion Rate is increased pursuant to the preceding sentence, the Company shall mail to the holder of each Note at its last address appearing on the Note register provided for in Section 2.06 a notice of the increase at least fifteen days prior to the date the increased Conversion Rate takes effect, and such notice shall state the increased Conversion Rate and the period during which it will be in effect.

(j) The applicable Conversion Rate will not be adjusted:

(i) upon the issuance of any shares of the Common Stock pursuant to any present or future plan providing for the reinvestment of dividends or interest payable on the Company's securities and the investment of additional optional amounts in shares of the Common Stock under any plan;

(ii) upon the issuance of any shares of the Common Stock or options or rights to purchase those shares pursuant to any present or future employee, director or consultant benefit plan or program of or assumed by the Company or any of the Company's subsidiaries;

(iii) upon the issuance of any shares of the Common Stock pursuant to any option, warrant, right or exercisable, exchangeable or convertible security not described in clause (ii) of this subsection and outstanding as of the date the Notes were first issued;

(iv) for a change in the par value of the Common Stock;

(v) for accrued and unpaid interest, including Additional Interest, if any; or

(vi) if Noteholders participate, as a result of holding the Notes, at the same time and in the same manner as holders of the Common Stock, as if such Noteholders held a number of shares of Common Stock equal to the then-applicable Conversion Rate, in any of the transactions described in clause (a), (b), (c), (d) or (e) of this Section 15.04 without having to convert their Notes.

(k) All calculations and other determinations under this Article 15 shall be made by the Company and shall be made to the nearest one-ten thousandth (1/10,000) of a share. No adjustment pursuant to this Section 15.04 shall be made to the Conversion Rate unless such adjustment would require a change of at least 1% in the Conversion Rate then in effect at such time. However, any adjustments that are less than 1% of the Conversion Rate shall be carried forward and taken into account in any subsequent adjustment, regardless of whether the aggregate adjustment is less than 1% within one year of the first adjustment carried forward, upon redemption, upon a Fundamental Change or at the Maturity Date.

(l) Whenever the Conversion Rate is adjusted as herein provided, the Company shall promptly file with the Trustee and any Conversion Agent other than the Trustee an Officers' Certificate setting forth the Conversion Rate after such adjustment and setting forth a brief statement of the facts requiring such adjustment. Unless and until a Responsible Officer of the Trustee shall have received such Officers' Certificate, the Trustee shall not be deemed to have knowledge of any adjustment of the Conversion Rate and may assume without inquiry that the last Conversion Rate of which it has knowledge is still in effect. Promptly after delivery of such certificate, the Company shall prepare a notice of such adjustment of the Conversion Rate setting forth the adjusted Conversion Rate and the date on which each adjustment becomes effective and shall mail such notice of such adjustment of the Conversion Rate to the holder of each Note at its last address appearing on the Note register provided for in Section 2.06 of this Indenture, within twenty (20) days of the effective date of such adjustment. Failure to deliver such notice shall not affect the legality or validity of any such adjustment.

(m) For purposes of this Section 15.04, the number of shares of Common Stock at any time outstanding shall not include shares held in the treasury of the Company but shall include shares issuable in respect of scrip certificates issued in lieu of fractions of shares of Common Stock. The Company will not pay any dividend or make any distribution on shares of Common Stock held in the treasury of the Company.

Section 15.05. Shares to Be Fully Paid. The Company shall provide, free from preemptive rights, out of its authorized but unissued shares or shares held in treasury, sufficient shares of Common Stock to provide for conversion of the Notes from time to time as such Notes are presented for conversion.

Section 15.06. Effect of Reclassification, Consolidation, Merger or Sale.

If any of the following events occur, namely (i) any reclassification or change of the outstanding shares of Common Stock (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 split, subdivision or combination), (ii) any consolidation, merger or combination of the Company with another Person, or (iii) any sale or conveyance of all or substantially all of the property and assets of the Company to any other Person, in each case as a result of which holders of Common Stock shall be entitled to receive cash, securities or other property or assets with respect to or in exchange for such Common Stock (any such event a "Merger Event"), then:

(a) the Company or the successor or purchasing Person, as the case may be, shall execute with the Trustee a supplemental indenture (which shall comply with the Trust Indenture Act as in force at the date of execution of such supplemental indenture if such supplemental indenture is then required to so comply) permitted under Section 11.01(h) providing for the conversion and settlement of the Notes as set forth in this Indenture. Such supplemental indenture shall provide for adjustments that shall be as nearly equivalent as may be practicable to the adjustments provided for in this Article 15. If, in the case of any Merger Event, the Reference Property includes shares of stock or other securities and assets of a corporation other than the successor or purchasing corporation, as the case may be, in such reclassification, change, consolidation, merger, combination, sale or conveyance, then such supplemental indenture shall also be executed by such other corporation and shall contain such additional provisions to protect the interests of the holders of the Notes as the Board of Directors shall reasonably consider necessary by reason of the foregoing,

including to the extent required by the Board of Directors and practicable the provisions providing for the repurchase rights set forth in Article 16 herein.

In the event the Company shall execute a supplemental indenture pursuant to this Section 15.06, the Company shall promptly file with the Trustee an Officers' Certificate briefly stating the reasons therefore, the kind or amount of cash, securities or property or asset that will constitute the Reference Property after any such Merger Event, any adjustment to be made with respect thereto and that all conditions precedent have been complied with, and shall promptly mail notice thereof to all Noteholders. The Company shall cause notice of the execution of such supplemental indenture to be mailed to each Noteholder, at its address appearing on the Note register provided for in this Indenture, within twenty (20) days after execution thereof. Failure to deliver such notice shall not affect the legality or validity of such supplemental indenture.

(b) Notwithstanding the provisions of Section 15.02(b), and subject to the provisions of Section 15.01 and Section 15.03, at the effective time of such Merger Event, (i) the right to convert each $1,000 principal amount of Notes will be changed to a right to convert such Note into the kind and amount of shares of stock, securities or other property or assets (including cash or any combination thereof) that a holder of a number of shares of Common Stock equal to the Conversion Rate immediately prior to such transaction would have owned or been entitled to receive (the "Reference Property") and (ii) the related Conversion Obligation shall be settled as set forth under clause (c) below. In the event holders of the Common Stock have the opportunity to elect the form of consideration to be received in such Merger Event, the Company shall make adequate provision whereby the holders of the Notes shall have a reasonable opportunity to determine the form of consideration into which all of the Notes, treated as a single class, shall be convertible from and after the effective date of such Merger Event. Such determination shall be as set forth in Section 9.01 and shall be subject to any limitations to which all of the holders of the Common Stock are subject, such as pro-rata reductions applicable to any portion of the consideration payable in such Merger Event and shall be conducted in such a manner as to be completed by the date that is the earliest of (x) the deadline for elections to be made by holders of the Common Stock in connection with such Merger Event, and (y) two Scheduled Trading Days prior to the anticipated effective date of such Merger Event. The Company shall provide notice of the opportunity to determine the form of such consideration, as well as notice of the determination made by holders of the Notes by issuing a press release and providing a copy of each such notice to the Trustee. Notwithstanding anything herein to the contrary, any such determination by the holders of the Notes shall be

based solely on the elections of Holders received by the Trustee on or prior to the date of completion referred to in the second preceding sentence and the form or forms of consideration so determined shall be in the same proportion as the proportion in principal amount of Notes so electing each such form of consideration. The Company shall not become a party to any Merger Event unless its terms are consistent with this Section 15.06. None of the foregoing provisions shall affect the right of a holder of Notes to convert its Notes into cash and shares of Common Stock, as set forth in Section 15.01 and Section 15.02 prior to the effective date of such Merger Event.

(c) If the Notes are convertible into cash and Reference Property as set forth above, the related Conversion Obligation, with respect to each $1,000 principal amount of Notes tendered for conversion after the effective date of any such Merger Event, shall be settled in cash and units of Reference Property in accordance with Section 15.02(b) as follows:

(i) The Company shall deliver, on the third Business Day immediately following the last day of the related Cash Settlement Averaging Period, cash and shares of Common Stock, if any, equal to the sum of the Daily Settlement Amounts for each of the twenty-five Trading Days during the related Cash Settlement Averaging Period (provided that (x) such Daily Settlement Amounts, and the Daily Conversion Value, will be determined as if references in such definitions to "the Daily VWAP of the Common Stock" were references instead "the Daily VWAP of a unit of Reference Property composed of the kind and amount of shares of stock, securities or other property or assets (including cash or any combination thereof) that a holder of one share of Common Stock immediately prior to such transaction would have owned or been entitled to receive" (subject to the Noteholder's right to determine the form of consideration into which all of the Notes, treated as a single class, shall be convertible from and after the effective date of such Merger Event as described above in this Section 15.06) and (y) the Daily VWAP shall be determined with respect to such a unit of Reference Property).

(ii) The Company will deliver the cash in lieu of fractional units of Reference Property as set forth pursuant to Section 15.02(l) (provided that the amount of such cash shall be determined as if references in such Section to "the Last Reported Sale Price of the Common Stock" were a reference instead to "the Last Reported Sale Price of a unit of Reference Property composed of the kind and amount of shares of stock, securities or other property or assets (including cash or any combination

thereof) that a holder of one share of Common Stock immediately prior to such transaction would have owned or been entitled to receive" (subject to the Noteholder's right to determine the form of consideration into which all of the Notes, treated as a single class, shall be convertible from and after the effective date of such Merger Event as described above in this Section 15.06).

(iii) The Daily Settlement Amounts shall be determined by the Company promptly following the last day of the Cash Settlement Averaging Period.

(d) Notwithstanding clause (c) above, if the Notes are tendered for conversion prior to the effective date of any such Merger Event pursuant to Section 15.03 above, and the Company shall be obligated to deliver any additional consideration (other than cash) as a result of an increase in the Conversion Rate pursuant to Section 15.03 following the effective date of such Merger Event, such additional consideration shall be delivered in the kind and amount of Reference Property as a holder of the relevant number of shares of Common Stock would have received in such Merger Event (subject to the Noteholder's right to determine the form of consideration into which all of the Notes, treated as a single class, shall be convertible from and after the effective date of such Merger Event as described above in this Section 15.06).

(e) The above provisions of this Section shall similarly apply to successive Merger Events.

Section 15.07. Certain Covenants.

(a) The Company covenants that all shares of Common Stock issued upon conversion of Notes will be fully paid and non-assessable by the Company and free from all taxes, liens and charges with respect to the issue thereof.

(b) The Company covenants that, if any shares of Common Stock to be provided for the purpose of conversion of Notes hereunder require registration with or approval of any governmental authority under any federal or state law before such shares may be validly issued upon conversion, the Company will in good faith and as expeditiously as possible, to the extent then permitted by the rules and interpretations of the Commission (or any successor thereto), endeavor to secure such registration or approval, as the case may be.

(c) The Company further covenants that if at any time the Common Stock shall be listed on any national securities exchange or automated quotation

system the Company will, if permitted and required by the rules of such exchange or automated quotation system, list and keep listed, so long as the Common Stock shall be so listed on such exchange or automated quotation system, all Common Stock issuable upon conversion of the Notes.

Section 15.08. Responsibility of Trustee. The Trustee and any other Conversion Agent shall not at any time be under any duty or responsibility to any Noteholder to determine the Conversion Rate or whether any facts exist that may require any adjustment (including any increase) of the Conversion Rate, or with respect to the nature or extent or calculation of any such adjustment when made, or with respect to the method employed, or herein or in any supplemental indenture provided to be employed, in making the same. The Trustee and any other Conversion Agent shall not be accountable with respect to the validity or value (or the kind or amount) of any shares of Common Stock, or of any securities, property or cash that may at any time be issued or delivered upon the conversion of any Note; and the Trustee and any other Conversion Agent make no representations with respect thereto. Neither the Trustee nor any Conversion Agent shall be responsible for any failure of the Company to issue, transfer or deliver any shares of Common Stock or stock certificates or other securities or property or cash upon the surrender of any Note for the purpose of conversion or to comply with any of the duties, responsibilities or covenants of the Company contained in this Article. Without limiting the generality of the foregoing, neither the Trustee nor any Conversion Agent shall be under any responsibility to determine the correctness of any provisions contained in any supplemental indenture entered into pursuant to Section 15.03(d) or Section 15.06 relating either to the kind or amount of shares of stock or securities or property (including cash) receivable by Noteholders upon the conversion of their Notes after any event referred to in such Section 15.03(d) or Section 15.06 or to any adjustment to be made with respect thereto, but, subject to the provisions of Section 8.01, may accept as conclusive evidence of the correctness of any such provisions, and shall be protected in relying upon, the Officers' 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 the Conversion Agent shall be responsible for determining whether any event contemplated by Section 15.01(b) has occurred that makes the Notes eligible for conversion or no longer eligible therefor until the Company has delivered to the Trustee and the Conversion Agent the notices referred to in Section 15.01(b) with respect to the commencement or termination of such conversion rights, on which notices the Trustee and the Conversion Agent may conclusively rely, and the Company agrees to deliver such notices to the Trustee and the Conversion Agent

immediately after the occurrence of any such event or at such other times as shall be provided for in Section 15.01(b).

Section 15.09. Notice to Holders Prior to Certain Actions. In case:

(a) the Company shall declare a dividend (or any other distribution) on its Common Stock that would require an adjustment in the Conversion Rate pursuant to Section 15.04; or

(b) the Company shall authorize the granting to all of the holders of its Common Stock of rights or warrants to subscribe for or purchase any share of any class or any other rights or warrants; or

(c) of any reclassification of the Common Stock of the Company (other than a subdivision or combination of its outstanding Common Stock, or a change in par value, or from par value to no par value, or from no par value to par value), or of any consolidation or merger to which the Company is a party and for which approval of any shareholders of the Company is required, or of the sale or transfer of all or substantially all of the assets of the Company; or

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

the Company shall cause to be filed with the Trustee and to be mailed to each Noteholder at its address appearing on the Note register, provided for in Section 2.06 of this Indenture, as promptly as possible but in any event at least twenty days prior to the applicable date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution or rights or warrants, or, if a record is not to be taken, the date as of which the holders of Common Stock of record to be entitled to such dividend, distribution or rights are to be determined, or (y) the date on which such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding-up is expected to become effective or occur, and the date as of which it is expected that holders of Common Stock of record shall be entitled to exchange their Common Stock for securities or other property deliverable upon such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding-up. Failure to give such notice, or any defect therein, shall not affect the legality or validity of such dividend, distribution, reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding-up.

Section 15.10. Shareholder Rights Plans. Each share of Common Stock issued upon conversion of Notes pursuant to this Article 15 shall be entitled to receive the appropriate number of rights, if any, and the certificates representing the Common Stock issued upon such conversion shall bear such legends, if any, in each case as may be provided by the terms of any shareholder rights plan adopted by the Company, as the same may be amended from time to time. If at the time of conversion, however, the rights have separated from the shares of Common Stock in accordance with the provisions of the applicable shareholder rights agreement so that the holders of the Notes would not be entitled to receive any rights in respect of Common Stock issuable upon conversion of the Notes, the Conversion Rate will be adjusted at the time of separation as if the Company has distributed to all holders of Common Stock, shares of Capital Stock of the Company, evidence of indebtedness or assets as provided in Section 15.04(c), subject to readjustment in the event of the expiration, termination or redemption of such rights.

ARTICLE 16
REPURCHASE OF NOTES AT OPTION OF HOLDERS

Section 16.01. Repurchase at Option of Holders.

(a) Notes or portions thereof shall be purchased by the Company at the option of the holder for cash on March 15, 2013 and March 15, 2021 (each, a "Repurchase Date"), at a purchase price (the "Repurchase Price") equal to 100% of the principal amount of the Notes to be repurchased. The Company shall pay any accrued and unpaid interest, including Additional Interest, if any, thereon to (but excluding) such Repurchase Date to the holders of such Notes at the close of business on the record date immediately preceding such Repurchase Date. Not later than 20 Business Days prior to any Repurchase Date, the Company shall mail a notice (the "Company Notice") by first class mail to the Trustee, to the Paying Agent and to each holder (and to beneficial owners as required by applicable law). The notice shall include a form of repurchase notice to be completed by a holder and shall state:

(i) the last date on which a Noteholder may exercise its repurchase right pursuant to this Section 16.01;

(ii) the Repurchase Price and the Conversion Rate;

(iii) the name and address of the Trustee, the Paying Agent and the Conversion Agent;

(iv) that Notes as to which a Repurchase Notice has been given may be converted only in accordance with Article 15 hereof and the terms of the Notes if the applicable Repurchase Notice has been withdrawn in accordance with the terms of this Indenture;

(v) that Notes must be surrendered to the Paying Agent to collect payment;

(vi) that the Repurchase Price for any Note as to which a Repurchase Notice has been given and not withdrawn will be paid promptly following the later of the Repurchase Date and the time of surrender of such Note as described in (v);

(vii) the procedures the holder must follow to exercise its repurchase rights under this Section 16.01 and a brief description of those rights;

(viii) briefly, the conversion rights with respect to the Notes;

(ix) the procedures for withdrawing a Repurchase Notice; and

(x) the CUSIP number of the Notes.

At the Company's request, the Trustee shall give such notice in the Company's name and at the Company's expense; provided, however, that, in all cases, the text of such Company Notice shall be prepared by the Company.

The Company will promptly publish a notice containing the information included in the Company Notice in a newspaper of general circulation in The City of New York or publish such information on the Company's website or through such other public medium as the Company may use at that time.

Purchases of Notes hereunder shall be made, at the option of the holder thereof, upon:

(A) delivery to the Paying Agent by the holder of a written notice of repurchase substantially in the form set forth on the reverse of the Note as Exhibit D thereto (a "Repurchase Notice") during the period beginning at any time from the

opening of business on the date that is 20 Business Days prior to the relevant Repurchase Date until the close of business on the second Business Day prior to the Repurchase Date stating:

(1) if certificated Notes have been issued, the certificate number of the Notes that the holder will deliver to be purchased,

(2) the portion of the principal amount of the Notes to be purchased, which portion must be in principal amounts of $1,000 or an integral multiple of $1,000, and

(3) that such Notes shall be purchased by the Company as of the Repurchase Date pursuant to the terms and conditions specified in the Notes and in this Indenture;

provided, however, that if the Notes are not in certificated form, the Repurchase Notice must comply with appropriate Depositary procedures; and

(B) book-entry transfer or delivery of such Note to the Paying Agent at any time after delivery of the Repurchase Notice (together with all necessary endorsements) at the offices of the Paying Agent, such delivery being a condition to receipt by the holder of the Repurchase Price therefor; provided, however, that such Repurchase Price shall be so paid pursuant to this Section 16.01 only if the Note so delivered to the Paying Agent shall conform in all respects to the description thereof in the related Repurchase Notice.

No Repurchase Notice with respect to any Notes may be tendered by a holder thereof if such holder has also tendered a Fundamental Change Repurchase Notice and not validly withdrawn such Fundamental Change Repurchase Notice in accordance with Section 16.03.

The Company shall purchase from the holder thereof, pursuant to this Section 16.01, a portion of a Note, if the principal amount of such portion is $1,000 or an integral multiple of $1,000. Provisions of this Indenture that apply to the purchase of all of a Note also apply to the purchase of such portion of such Note.

Any purchase by the Company contemplated pursuant to the provisions of this Section 16.01 shall be consummated by the delivery of the consideration to be received by the holder promptly following the later of the Repurchase Date and the time of delivery of the Note.

Notwithstanding anything herein to the contrary, any holder delivering to the Paying Agent the Repurchase Notice contemplated by this Section 16.01 shall have the right to withdraw, in whole or in part, such Repurchase Notice at any time prior to the close of business on the second Business Day prior to the Repurchase Date by delivery of a written notice of withdrawal to the Paying Agent in accordance with Section 16.03 below.

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

(b) Notwithstanding the foregoing, no Notes may be repurchased by the Company at the option of the holders if the principal amount of the Notes has been accelerated, and such acceleration has not been rescinded, on or prior to the Repurchase Date (except in the case of an acceleration resulting from a default by the Company in the payment of the Repurchase Price with respect to such Notes).

(c) In connection with any purchase offer, the Company will:

(i) comply with the provisions of Rule 13e-4, Rule 14e-1 and any other tender offer rules under the Exchange Act,

(ii) file a Schedule TO or any successor or similar schedule, if required under the Exchange Act, and

(iii) otherwise comply with all federal and state securities laws in connection with any offer by the Company to purchase the Notes.

Section 16.02. Repurchase at Option of Holders Upon a Fundamental Change.

(a) If there shall occur a Fundamental Change at any time prior to maturity of the Notes, then each Noteholder shall have the right, at such holder's option, to require the Company to repurchase all of such holder's Notes for cash, or any portion thereof that is an integral multiple of $1,000 principal amount, on the date (the "Fundamental Change Repurchase Date") specified by the Company that is not less than twenty (20) Business Days and not more than thirty five (35) Business Days after the date of the Fundamental Change Company

Notice (as defined below) at a repurchase price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, including unpaid Additional Interest, if any, thereon to, but excluding, the Fundamental Change Repurchase Date (the "Fundamental Change Repurchase Price"). If such Fundamental Change Repurchase Date falls after a record date for the payment of interest, and on or prior to the corresponding Interest Payment Date, the Company shall instead pay the principal amount to the Noteholders surrendering the Notes for repurchase pursuant to this Section 16.02, and pay the full amount of accrued and unpaid interest, including accrued and unpaid Additional Interest, if any, payable on such Interest Payment Date to the holder of record on the close of business on the corresponding record date. Repurchases of Notes under this Section 16.02 shall be made, at the option of the holder thereof, upon:

(i) delivery to the Paying Agent by a holder of a duly completed notice (the "Fundamental Change Repurchase Notice") in the form set forth on the reverse of the Note as Exhibit C thereto prior to the close of business on the second Business Day prior to the Fundamental Change Repurchase Date; and

(ii) delivery or book-entry transfer of the Notes to the Paying Agent at any time after delivery of the Fundamental Change Repurchase Notice (together with all necessary endorsements) at the Corporate Trust Office of the Paying Agent in The Borough of Manhattan, such delivery being a condition to receipt by the holder of the Fundamental Change Repurchase Price therefor; provided that such Fundamental Change Repurchase Price shall be so paid pursuant to this Section 16.02 only if the Note so delivered to the Paying Agent shall conform in all respects to the description thereof in the related Fundamental Change Repurchase Notice.

The Fundamental Change Repurchase Notice shall state:

(A) if certificated, the certificate numbers of Notes to be delivered for purchase;

(B) the portion of the principal amount of Notes to be repurchased, which must be $1,000 or an integral multiple thereof; and

(C) that the Notes are to be repurchased by the Company pursuant to the applicable provisions of the Notes and the Indenture;

provided, however, that if the Notes are not in certificated form, the Fundamental Change Repurchase Notice must comply with appropriate Depositary procedures

Any purchase by the Company contemplated pursuant to the provisions of this Section 16.02 shall be consummated by the delivery of the consideration to be received by the holder promptly following the later of the Fundamental Change Repurchase Date and the time of the book-entry transfer or delivery of the Note.

Notwithstanding anything herein to the contrary, any holder delivering to the Paying Agent the Fundamental Change Repurchase Notice contemplated by this Section 16.02 shall have the right to withdraw, in whole or in part, such Fundamental Change Repurchase Notice at any time prior to the close of business on the second Business Day prior to the Fundamental Change Repurchase Date by delivery of a written notice of withdrawal to the Paying Agent in accordance with Section 16.03 below.

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

(b) As promptly as practicable after the occurrence of the effective date for a Fundamental Change, and in no event more than five Business Days after the effective date of the Fundamental Change, the Company shall mail or cause to be mailed to all holders of record of the Notes a notice (the "Fundamental Change Company Notice") of the effective date of the Fundamental Change and of the repurchase right at the option of the holders arising as a result thereof. Such mailing shall be by first class mail. The Company shall also deliver a copy of the Fundamental Change Company Notice to the Trustee, the Paying Agent and the Conversion Agent within five Business Days after the Effective Date of the Fundamental Change. The Company will also promptly publish a notice containing the information set forth in the Fundamental Change Company Notice in a newspaper of general circulation in The City of New York or publish such information on the Company's website or through such other public medium as the Company may use at that time.

Each Fundamental Change Company Notice shall specify:

(i) the events causing the Fundamental Change;

(ii) the effective date of the Fundamental Change;

(iii) the last date on which a holder may exercise the repurchase right;

(iv) the Fundamental Change Repurchase Price;

(v) the name and address of the Paying Agent and the Conversion Agent, if applicable;

(vi) the Fundamental Change Repurchase Date;

(vii) that the Notes are eligible to be converted, the applicable Conversion Rate, any adjustments to the applicable Conversion Rate and, in the case of a Fundamental Change prior to February 15, 2013, that the conversion right with respect to the Notes terminates as of the relevant Fundamental Change Repurchase Date;

(viii) that the Notes with respect to which a Fundamental Change Repurchase Notice has been delivered by a holder may be converted only if the holder withdraws the Fundamental Change Repurchase Notice in accordance with the terms of the Indenture;

(ix) that the holder must exercise the repurchase right on or prior to the close of business on the Fundamental Change Repurchase Date (the "Fundamental Change Expiration Time");

(x) that the holder shall have the right to withdraw any Notes surrendered prior to the Fundamental Change Expiration Time; and

(xi) the procedures that holders must follow to require the Company to repurchase their Notes.

No failure of the Company to give the foregoing notices and no defect therein shall limit the Noteholders' repurchase rights or affect the validity of the proceedings for the repurchase of the Notes pursuant to this Section 16.02.

(c) Notwithstanding the foregoing, no Notes may be repurchased by the Company at the option of the holders upon a Fundamental Change if the principal amount of the Notes has been accelerated, and such acceleration has not been rescinded, on or prior to the Fundamental Change Repurchase Date (except in the case of an acceleration resulting from a default by the Company in the payment of the Fundamental Change Repurchase Price with respect to such Notes).

(d) In connection with any purchase offer, the Company will:

(i) comply with the provisions of Rule 13e-4, Rule 14e-1 and any other tender offer rules under the Exchange Act,

(ii) file a Schedule TO or any successor or similar schedule, if required under the Exchange Act, and

(iii) otherwise comply with all federal and state securities laws in connection with any offer by the Company to purchase the Notes.

Section 16.03. Withdrawal of Repurchase Notice or Fundamental Change Repurchase Notice.

(a) A Repurchase Notice or Fundamental Change Repurchase Notice, as the case may be, may be withdrawn by means of a written notice of withdrawal delivered to the Corporate Trust Office of the Paying Agent in accordance with the Repurchase Notice or Fundamental Change Repurchase Notice, as the case may be, at any time prior to the close of business on the second Business Day prior to the Repurchase Date or prior to the close of business on the second Business Day prior to the Fundamental Change Repurchase Date, as the case may be, specifying:

(i) the certificate number, if any, of the Note in respect of which such notice of withdrawal is being submitted, or the appropriate Depositary information if the Note in respect of which such notice of withdrawal is being submitted is represented by a Global Note,

(ii) the principal amount of the Note with respect to which such notice of withdrawal is being submitted, and

(iii) the principal amount, if any, of such Note that remains subject to the original Repurchase Notice or Fundamental Change Repurchase Notice, as the case may be, which portion must be in principal amounts of $1,000 or an integral multiple of $1,000;

provided, however, that if the Notes are not in certificated form, the notice must comply with appropriate procedures of the Depositary.

Section 16.04. Deposit of Repurchase Price or Fundamental Change Repurchase Price.

(a) On or prior to the Repurchase Date or Fundamental Change Repurchase Date, as the case may be, the Company will deposit with the Trustee (or other Paying Agent appointed by the Company or if the Company is acting as its own Paying Agent, set aside, segregate and hold in trust as provided in Section 5.04) an amount of money sufficient to repurchase on the Repurchase Date or the Fundamental Change Repurchase Date, as the case may be, all of the Notes to be repurchased on such date at the appropriate Repurchase Price or Fundamental Change Repurchase Price, as the case may be; provided that if such payment is made on the Repurchase Date or Fundamental Change Repurchase Date, as the case may be, it must be received by the Trustee or Paying Agent, as the case may be, by 11:00 a.m. New York City time, on such date. Subject to receipt of funds and/or Notes by the Trustee (or other Paying Agent appointed by the Company), payment for Notes surrendered for repurchase (and not withdrawn) prior to the Repurchase Date or Fundamental Change Expiration Time will be made promptly after the later of (x) the Repurchase Date or Fundamental Change Repurchase Date, as the case may be, with respect to such Note (provided the holder has satisfied the conditions in Section 16.01 or Section 16.02, as applicable) and (y) the time of book-entry transfer or the delivery of such Note to the Trustee (or other Paying Agent appointed by the Company) by the holder thereof in the manner required by Section 16.01 or Section 16.02, as applicable, by mailing checks for the amount payable to the holders of such Notes entitled thereto as they shall appear in the Note Register, provided, however, that payments to the Depositary shall be made by wire transfer of immediately available funds to the account of the Depositary or its nominee. The Trustee shall, promptly after such payment and upon written demand by the Company, return to the Company any funds in excess of the Repurchase Price or Fundamental Change Repurchase Price, as the case may be.

(b) If the Trustee (or other Paying Agent appointed by the Company) holds money sufficient to repurchase on the Repurchase Date or Fundamental Change Repurchase Date, as the case may be, all the Notes or portions thereof that are to be purchased on the Business Day following the Repurchase Date or Fundamental Change Repurchase Date, as the case may be, then (i) such Notes will cease to be outstanding, (ii) interest, including Additional Interest, if any, will cease to accrue on such Notes, and (iii) all other rights of the holders of such Notes will terminate (other than the right to receive the Repurchase Price or Fundamental Change Repurchase Price, as the case may be, and previously accrued but unpaid interest, including Additional Interest, if any, upon delivery of the Notes), whether or not book-entry transfer of the Notes has been made or the Notes have been delivered to the Trustee or Paying Agent.

(c) Upon surrender of a Note that is to be repurchased in part pursuant to Section 16.01 or 16.02, the Company shall execute and the Trustee shall authenticate and deliver to the holder a new Note in an authorized denomination equal in principal amount to the unrepurchased portion of the Note surrendered.

ARTICLE 17
MISCELLANEOUS PROVISIONS

Section 17.01. Provisions Binding on Company's Successors. All the covenants, stipulations, promises and agreements of the Company contained in this Indenture shall bind its successors and assigns whether so expressed or not.

Section 17.02. Official Acts by Successor Corporation. Any act or proceeding by any provision of this Indenture authorized or required to be done or performed by any board, committee or officer of the Company shall and may be done and performed with like force and effect by the like board, committee or officer of any corporation or other entity that shall at the time be the lawful sole successor of the Company.

Section 17.03. Addresses for Notices, Etc. Any notice or demand that by any provision of this Indenture is required or permitted to be given or served by the Trustee or by the Noteholders on the Company shall be deemed to have been sufficiently given or made, for all purposes if given or served by being deposited postage prepaid by registered or certified mail in a post office letter box addressed (until another address is filed by the Company with the Trustee) to Albany International Corp., 1373 Broadway, Albany, NY 12204, Attention: General Counsel. Any notice, direction, request or demand hereunder to or upon the Trustee shall be deemed to have been sufficiently given or made, for all purposes, if given or served by being deposited postage prepaid by registered or certified mail in a post office letter box addressed to the Corporate Trust Office.

The Trustee, by notice to the Company, may designate additional or different addresses for subsequent notices or communications.

Any notice or communication mailed to a Noteholder shall be mailed to it by first class mail, postage prepaid, at its address as it appears on the Note register and shall be sufficiently given to it if so mailed within the time prescribed.

Failure to mail a notice or communication to a Noteholder or any defect in it shall not affect its sufficiency with respect to other Noteholders. If a notice or

communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

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

Section 17.04. Governing Law. THIS INDENTURE AND EACH NOTE SHALL BE DEEMED TO BE A CONTRACT MADE UNDER THE LAWS OF NEW YORK, AND FOR ALL PURPOSES SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF NEW YORK (WITHOUT REGARD TO THE CONFLICTS OF LAWS PROVISIONS THEREOF).

Section 17.05. Evidence of Compliance with Conditions Precedent; Certificates and Opinions of Counsel to Trustee. Upon any application or demand by the Company to the Trustee to take any action under any of the provisions of this Indenture, the Company shall furnish to the Trustee an Officers' Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with, and an Opinion of Counsel stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

Each certificate or opinion provided for by or on behalf of the Company in this Indenture and delivered to the Trustee with respect to compliance with a condition or covenant provided for in this Indenture (other than the Officers' Certificates provided for in Section 5.08) shall include (1) a statement that the Person making such certificate or opinion has read such covenant or condition; (2) a brief statement as to the nature and scope of the examination or investigation upon which the statement or opinion contained in such certificate or opinion is based; (3) a statement that, in the opinion of such person, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenant or condition has been complied with; and (4) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been complied with.

Section 17.06. Legal Holidays. In any case where any Interest Payment Date, Redemption Date, Repurchase Date, Fundamental Change Repurchase Date, Conversion Date or Maturity Date is not be a Business Day, then any action to be taken on such date need not be taken on such date, but may be taken on the next succeeding Business Day with the same force and effect as if taken on such date, and no interest shall accrue for the period from and after such date.

Section 17.07. No Security Interest Created. Nothing in this Indenture or in the Notes, expressed or implied, shall be construed to constitute a security interest under the Uniform Commercial Code or similar legislation, as now or hereafter enacted and in effect, in any jurisdiction.

Section 17.08. Trust Indenture Act. This Indenture is hereby made subject to, and shall be governed by, the provisions of the Trust Indenture Act required to be part of and to govern indentures qualified under the Trust Indenture Act; provided that this Section 17.08 shall not require that this Indenture or the Trustee be qualified under the Trust Indenture Act prior to the time such qualification is in fact required under the terms of the Trust Indenture Act, nor shall it constitute any admission or acknowledgment by any party hereto that any such qualification is required prior to the time such qualification is in fact required under the terms of the Trust Indenture Act. If any provision hereof limits, qualifies or conflicts with another provision hereof that is required to be included in an indenture qualified under the Trust Indenture Act, such required provision shall control.

Section 17.09. Benefits of Indenture. Nothing in this Indenture or in the Notes, expressed or implied, shall give to any Person, other than the parties hereto, any Paying Agent, any Conversion Agent, any authenticating agent, any Note registrar and their successors hereunder or the Noteholders, any benefit or any legal or equitable right, remedy or claim under this Indenture.

Section 17.10. Table of Contents, Headings, Etc. The table of contents and the titles and headings of the articles and sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part hereof, and shall in no way modify or restrict any of the terms or provisions hereof.

Section 17.11. Authenticating Agent. The Trustee may appoint an authenticating agent that shall be authorized to act on its behalf and subject to its direction in the authentication and delivery of Notes in connection with the original issuance thereof and transfers and exchanges of Notes hereunder, including under Section 2.05, Section 2.06, Section 2.07, Section 2.08, Section 3.06, Section 11.04 and Section 16.04 as fully to all intents and purposes as though the authenticating agent had been expressly authorized by this Indenture and those Sections to authenticate and deliver Notes. For all purposes of this Indenture, the authentication and delivery of Notes by the authenticating agent shall be deemed to be authentication and delivery of such Notes "by the Trustee" and a certificate of authentication executed on behalf of the Trustee by an authenticating agent shall be deemed to satisfy any requirement hereunder or in the Notes for the Trustee's certificate of authentication. Such authenticating agent

shall at all times be a Person eligible to serve as trustee hereunder pursuant to Section 8.09.

Any corporation or other entity into which any authenticating agent may be merged or converted or with which it may be consolidated, or any corporation or other entity resulting from any merger, consolidation or conversion to which any authenticating agent shall be a party, or any corporation or other entity succeeding to the corporate trust business of any authenticating agent, shall be the successor of the authenticating agent hereunder, if such successor corporation or other entity is otherwise eligible under this Section, without the execution or filing of any paper or any further act on the part of the parties hereto or the authenticating agent or such successor corporation or other entity.

Any authenticating agent may at any time resign by giving written notice of resignation to the Trustee and to the Company. The Trustee may at any time terminate the agency of any authenticating agent by giving written notice of termination to such authenticating agent and to the Company. Upon receiving such a notice of resignation or upon such a termination, or in case at any time any authenticating agent shall cease to be eligible under this Section, the Trustee may appoint a successor authenticating agent (which may be the Trustee), shall give written notice of such appointment to the Company and shall mail notice of such appointment to all Noteholders as the names and addresses of such holders appear on the Note register.

The Company agrees to pay to the authenticating agent from time to time reasonable compensation for its services although the Company may terminate the authenticating agent, if it determines such agent's fees to be unreasonable.

The provisions of Section 8.02, Section 8.03, Section 8.04, Section 9.03 and this Section 17.11 shall be applicable to any authenticating agent.

If an authenticating agent is appointed pursuant to this Section, the Notes may have endorsed thereon, in addition to the Trustee's certificate of authentication, an alternative certificate of authentication in the following form:

- ----------,
as Authenticating Agent, certifies that this is one of the Notes described in the within-named Indenture.

By:

Authorized Officer

Section 17.12. Execution in Counterparts. This Indenture may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

Section 17.13. Severability. In the event any provision of this Indenture or in the Notes shall be invalid, illegal or unenforceable, then (to the extent permitted by law) the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired.

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

ALBANY INTERNATIONAL CORP.

By: /s/ David C. Michaels

Name: David C. Michaels
Title: Vice President, Treasury & Tax

JPMORGAN CHASE BANK, N.A.,
as Trustee

By: /s/ Michael A. Smith

Name: Michael A. Smith
Title: Vice President

EXHIBIT A

[FORM OF FACE OF NOTE]

[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.]

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER AGREES (1) THAT IT WILL NOT WITHIN TWO YEARS AFTER THE LAST ORIGINAL ISSUE DATE OF THIS SECURITY, RESELL OR OTHERWISE TRANSFER THE SECURITY EVIDENCED HEREBY OR ANY COMMON STOCK ISSUABLE UPON CONVERSION OF SUCH SECURITY, EXCEPT (A) TO THE ISSUER OR A SUBSIDIARY THEREOF; (B) UNDER A REGISTRATION STATEMENT THAT HAS BECOME OR BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT; (C) TO A PERSON THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) THAT IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER QUALIFIED INSTITUTIONAL BUYER AND TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, ALL IN COMPLIANCE WITH RULE 144A (IF AVAILABLE); OR (D) UNDER ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT; AND (2) THAT IT WILL, PRIOR TO ANY TRANSFER OF THIS SECURITY WITHIN TWO YEARS AFTER THE LAST ORIGINAL ISSUE DATE OF THIS SECURITY PURSUANT TO CLAUSE (D) ABOVE FURNISH TO THE TRUSTEE AND THE ISSUER SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS MAY BE REQUIRED PURSUANT TO THE

INDENTURE 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.

ALBANY INTERNATIONAL CORP.

2.25% Convertible Senior Note due 2026

No. __ $_____

CUSIP No. 012348 AB 4

Albany International Corp., a corporation duly organized and validly existing under the laws of the State of Delaware (herein called the "Company," which term includes any successor corporation or other entity under the Indenture referred to on the reverse hereof), for value received hereby promises to pay to [CEDE & CO.](1), or registered assigns, the principal sum of Dollars [(which amount may from time to time be increased or decreased to such other principal amounts (which, taken together with the principal amounts of all other outstanding Notes, shall not, unless permitted by the Indenture, exceed $150,000,000 in aggregate at any time (or $180,000,000 if the Initial Purchasers exercise their option to purchase additional Notes in full as set forth in the Purchase Agreement)) by adjustments made on the records of the Trustee or the Custodian of the Depositary as set forth in Schedule A hereto, in accordance with the rules and procedures of the Depositary)](2) on March 15, 2026, and interest thereon as set forth below and Additional Interest in the manner, at the rates and to the Persons set forth in the Registration Rights Agreement.

This Note shall bear interest at the rate of 2.25% per year from March 13, 2006, or from the most recent date to which interest had been paid or provided for to, but excluding, the next scheduled Interest Payment Date until March 15, 2013. As of March 15, 2013, this Note shall bear interest at the rate of 3.25% per year from March 15, 2013, to, but excluding, the next scheduled Interest Payment Date until the principal hereof shall have been paid or made available for payment. Interest is payable semi-annually in arrears on each March 15 and September 15, commencing September 15, 2006, to holders of record at the close of business on the preceding March 1 and September 1 (whether or not such day is a Business Day), respectively.

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(1) Insert in Global Note Only.

(2) Insert in Global Note Only.

Payment of the principal of, interest, including any Additional Interest, accrued on this Note shall be made at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, The City of New York, in such lawful money of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts; provided, however, interest, including Additional Interest, if any, may be paid by check mailed to such holder's address as it appears in the Note register; provided further, however, that, with respect to any Noteholder with an aggregate principal amount in excess of $1,000,000, at the request of such holder in writing to the Trustee and the Paying Agent (if different than the Trustee), interest, including Additional Interest, if any, on such holder's Notes shall be paid by wire transfer in immediately available funds in accordance with the written wire transfer instruction supplied by such holder from time to time to the Trustee and Paying Agent (if different from the Trustee) not later than the applicable record date; provided that any payment to the Depositary or its nominee shall be paid by wire transfer in immediately available funds in accordance with the wire transfer instruction supplied by the Depositary or its nominee from time to time to the Trustee and Paying Agent (if different from Trustee).

Reference is made to the further provisions of this Note set forth on the reverse hereof, including, without limitation, provisions giving the holder of this Note the right to convert this Note into cash and Common Stock of the Company on the terms and subject to the limitations referred to on the reverse hereof and as more fully specified in the Indenture. Such further provisions shall for all purposes have the same effect as though fully set forth at this place.

This Note shall be deemed to be a contract made under the laws of the State of New York, and for all purposes shall be construed in accordance with and governed by the laws of said State (without regard to the conflicts of laws provisions thereof).

This Note shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been manually signed by the Trustee or a duly authorized authenticating agent under the Indenture.

[Remainder of page intentionally left blank]

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

ALBANY INTERNATIONAL CORP.

By:

Name:
Title:

Dated:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION
JPMORGAN CHASE BANK, N.A.,
as Trustee, certifies that this is one of the Notes described
in the within-named Indenture.

By:

Authorized Officer

[FORM OF REVERSE OF NOTE]

ALBANY INTERNATIONAL CORP.
2.25% Convertible Senior Note due 2026

This Note is one of a duly authorized issue of Notes of the Company, designated as its 2.25% Convertible Senior Notes due 2026 (herein called the "Notes"), limited to the aggregate principal amount of $150,000,000 (or $180,000,000 if the Initial Purchasers exercise their option to purchase additional Notes in full as set forth in the Purchase Agreement) all issued or to be issued under and pursuant to an Indenture dated as of March 13, 2006 (herein called the "Indenture"), between the Company and JPMorgan Chase Bank, N.A. (herein called the "Trustee"), to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the holders of the Notes. Additional Notes may be issued in an unlimited aggregate principal amount, subject to certain conditions specified in the Indenture.

In case an Event of Default, as defined in the Indenture, shall have occurred and be continuing, the principal of, premium, if any, and interest, including Additional Interest, if any, on all Notes may be declared, by either the Trustee or Noteholders of not less than 25% in aggregate principal amount of Notes then outstanding, and upon said declaration shall become, due and payable, in the manner, with the effect and subject to the conditions provided in the Indenture.

Subject to the terms and conditions of the Indenture, the Company will make all payments and deliveries in respect of the Redemption Price, Repurchase Price, the Fundamental Change Repurchase Price, and the principal amount on the Maturity Date, as the case may be, to the holder who surrenders a Note to a Paying Agent to collect such payments in respect of the Note. The Company will pay cash amounts in money of the United States that at the time of payment is legal tender for payment of public and private debts.

The Indenture contains provisions permitting the Company and the Trustee in certain circumstances, without the consent of the holders of the Notes, and in other circumstances, with the consent of the holders of not less than a majority in aggregate principal amount of the Notes at the time outstanding, evidenced as in the Indenture provided, to execute supplemental indentures modifying the terms of the Indenture and the Notes as described therein. It is also provided in the Indenture that the holders of a majority in aggregate principal amount of the Notes at the time outstanding may on behalf of the holders of all of

the Notes waive any past Default or Event of Default under the Indenture and its consequences except as provided in the Indenture. Any such consent or waiver by the holder of this Note (unless revoked as provided in the Indenture) shall be conclusive and binding upon such holder and upon all future holders and owners of this Note and any Notes that may be issued in exchange or substitution hereof or upon registration of transfer hereof, irrespective of whether or not any notation thereof is made upon this Note or such other Notes.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of, premium, if any, and accrued and unpaid interest, and Additional Interest, if any, on this Note at the place, at the respective times, at the rate and in the lawful money herein prescribed.

The Notes are issuable in registered form without coupons in denominations of $1,000 principal amount and integral multiples thereof. At the office or agency of the Company referred to on the face hereof, and in the manner and subject to the limitations provided in the Indenture, without payment of any service charge but with payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration or exchange of Notes, Notes may be exchanged for a like aggregate principal amount of Notes of other authorized denominations.

The Notes are not subject to redemption through the operation of any sinking fund. Prior to March 15, 2013, the Notes will not be redeemable at the Company's option. Subject to the terms and conditions of the Indenture, beginning on March 15, 2013, the Company, at its option, may redeem the Notes for cash at any time as a whole, or from time to time in part, at a price equal to the principal amount of the Notes redeemed plus accrued and unpaid interest, and Additional Interest, if any, on the Notes redeemed to (but excluding) the Redemption Date.

Subject to the terms and conditions of the Indenture, the Company shall become obligated to purchase, at the option of the holder, all or any portion of Notes held by such holder on March 15, 2013 and March 15, 2021, in integral multiples of $1,000 at a Repurchase Price equal to the principal amount of the Notes repurchased.

Upon the occurrence of a Fundamental Change, the holder has the right, at such holder's option, to require the Company to repurchase all of such holder's Notes or any portion thereof (in principal amounts of $1,000 or integral multiples

thereof) on the Fundamental Change Repurchase Date at a price equal to 100% of the principal amount of the Notes such holder elects to require the Company to repurchase, together with accrued and unpaid interest, including accrued and unpaid Additional Interest, if any, to but excluding the Fundamental Change Repurchase Date. The Company or, at the written request of the Company, the Trustee shall mail to all holders of record of the Notes a notice of the occurrence of a Fundamental Change and of the repurchase right arising as a result thereof on or before the fifth Business Day after the occurrence of such Fundamental Change.

Subject to the provisions of the Indenture, the holder hereof has the right, at its option, during certain periods and upon the occurrence of certain conditions specified in the Indenture and prior to the close of business on the Business Day immediately preceding the Maturity Date, to convert any Notes or portion thereof that is $1,000 or an integral multiple thereof, into cash and, if applicable, shares of Common Stock, at a Conversion Rate specified in the Indenture, as adjusted from time to time as provided in the Indenture, upon surrender of this Note, together with a conversion notice as provided in the Indenture and this Note, to the Company at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, The City of New York, and, unless the shares issuable on conversion are to be issued in the same name as this Note, duly endorsed by, or accompanied by instruments of transfer in form satisfactory to the Company duly executed by, the holder or by its duly authorized attorney. The initial Conversion Rate shall be 22.4618 shares for each $1,000 principal amount of Notes. No fractional shares of Common Stock will be issued upon any conversion, but an adjustment in cash will be paid to the holder, as provided in the Indenture, in respect of any fraction of a share that would otherwise be issuable upon the surrender of any Note or Notes for conversion. No adjustment shall be made for dividends or any shares issued upon conversion of such Note except as provided in the Indenture.

Upon due presentment for registration of transfer of this Note at the office or agency of the Company in the Borough of Manhattan, The City of New York, a new Note or Notes of authorized denominations for an equal aggregate principal amount will be issued to the transferee in exchange thereof, subject to the limitations provided in the Indenture, without charge except for any tax, assessments or other governmental charge imposed in connection therewith.

The Company, the Trustee, any authenticating agent, any Paying Agent, any Conversion Agent and any Note registrar may deem and treat the registered holder hereof as the absolute owner of this Note (whether or not this Note shall be

overdue and notwithstanding any notation of ownership or other writing hereon), for the purpose of receiving payment hereof, or on account hereof, for the conversion hereof and for all other purposes, and neither the Company nor the Trustee nor any other authenticating agent nor any Paying Agent nor any other Conversion Agent nor any Note registrar shall be affected by any notice to the contrary. Notwithstanding the foregoing, the Indenture provides that following a Default, owners of beneficial interests in a Global Note may directly enforce against the Company such owners' right to exchange such beneficial interest for Notes in certificated form. All payments made to or upon the order of such registered holder shall, to the extent of the sum or sums paid, satisfy and discharge liability for monies payable on this Note.

No recourse for the payment of the principal of or any premium or accrued and unpaid interest, including Additional Interest, if any, on this Note, or for any claim based hereon or otherwise in respect hereof, and no recourse under or upon any obligation, covenant or agreement of the Company in the Indenture or any indenture supplemental thereto or in any Note, or because of the creation of any indebtedness represented thereby, shall be had against any incorporator, stockholder, employee, agent, officer, director or subsidiary, as such, past, present or future, of the Company or of any successor corporation or other entity, either directly or through the Company or any successor corporation or other entity, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released.

Terms used in this Note and defined in the Indenture are used herein as therein defined.

ABBREVIATIONS

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

TEN COM - as tenants in common	UNIF GIFT MIN ACT
	Custodian

	(Cust)
TEN ENT - as tenants by the entireties	

	(Minor)
JT TEN - as joint tenants with right of survivorship and not as tenants in common	Uniform Gifts to Minors Act _____ (State)

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

EXHIBIT B

[FORM OF NOTICE OF CONVERSION]

To: Albany International Corp.

The undersigned registered owner of this Note hereby exercises the option to convert this Note, or the portion hereof (that is $1,000 principal amount or an integral multiple thereof) below designated, into cash and shares of Common Stock, if any, in accordance with the terms of the Indenture referred to in this Note, and directs that the shares issuable and deliverable upon such conversion, if any, together with any cash comprising a portion of the Daily Settlement Amounts for each of the twenty-five Trading Days during the Cash Settlement Averaging Period and for fractional shares and any Notes representing any unconverted principal amount hereof, be issued and delivered to the registered holder hereof unless a different name has been indicated below. If shares or any portion of this Note not converted are to be issued in the name of a Person other than the undersigned, the undersigned will pay all transfer taxes payable with respect thereto. Any amount required to be paid to the undersigned on account of interest accompanies this Note.

Dated:

Signature(s)

Signature Guarantee

- ---

Signature(s) must be guaranteed by an eligible Guarantor Institution (banks, stock brokers, savings and loan associations and credit unions) with membership in an approved signature guarantee medallion program pursuant to Securities and Exchange Commission Rule 17Ad-15 if shares of Common Stock are to be issued,

or Notes to be delivered, other than to and in the name of the registered holder.

Fill in for registration of shares if to be issued, and Notes if to be delivered, other than to and in the name of the registered holder:

- ---------------------------------------
(Name)

- ---------------------------------------
(Street Address)

- ---------------------------------------
(City, State and Zip Code)
Please print name and address

Principal amount to be converted (if less than all): $_____,000

NOTICE: The above signature(s) of the holder(s) hereof must correspond with the name as written upon the face of the Note in every particular without alteration or enlargement or any change whatever.

Social Security or Other Taxpayer Identification Number

EXHIBIT C

[FORM OF FUNDAMENTAL CHANGE REPURCHASE NOTICE]

To: Albany International Corp.

The undersigned registered owner of this Note hereby acknowledges receipt of a notice from Albany International Corp. (the "Company") as to the occurrence of a Fundamental Change with respect to the Company and requests and instructs the Company to repay the entire principal amount of this Note, or the portion thereof (that is $1,000 principal amount or an integral multiple thereof) below designated, in accordance with the applicable provisions of the Indenture referred to in this Note, together with accrued and unpaid interest, including Additional Interest, if any, to, but excluding, such date, to the registered holder hereof.

In the case of certificated Notes, the certificate numbers of the Notes to be repurchased are as set forth below:

Dated:

Signature(s)

Social Security or Other Taxpayer Identification Number

Principal amount to be repaid (if less than all): $_____,000

NOTICE: The above signature(s) of the holder(s) hereof must correspond with the name as written upon the face of the Note in every particular without alteration or enlargement or any change whatever.

EXHIBIT D

[FORM OF REPURCHASE NOTICE]

To: Albany International Corp.

The undersigned registered owner of this Note hereby requests and instructs Albany International Corp. to repay the entire principal amount of this Note, or the portion thereof (that is $1,000 principal amount or an integral multiple thereof) below designated, in accordance with the terms and conditions of the Indenture referred to in this Note at the Repurchase Price to the registered holder hereof.

In the case of certificated Notes, the certificate numbers of the Notes to be repurchased are as set forth below:

Dated:

Signature(s)

Social Security or Other Taxpayer Identification Number

Principal amount to be repaid (if less than all): $_____,000

NOTICE: The above signature(s) of the holder(s) hereof must correspond with the name as written upon the face of the Note in every particular without alteration or enlargement or any change whatever.

EXHIBIT E

[FORM OF ASSIGNMENT AND TRANSFER]

For value received _____ hereby sell(s), assign(s) and transfer(s) unto _____ (Please insert social security or Taxpayer Identification Number of assignee) the within Note, and hereby irrevocably constitutes and appoints _____ _____ attorney to transfer the said Note on the books of the Company, with full power of substitution in the premises.

In connection with any transfer of the within Note occurring prior to the Resale Restriction Termination Date, as defined in the Indenture governing such Note, the undersigned confirms that such Note is being transferred:

|_| To Albany International Corp. or a subsidiary thereof; or

|_| Pursuant to the registration statement that has become or been declared effective under the Securities Act of 1933, as amended; or

|_| Pursuant to and in compliance with Rule 144A under the Securities Act of 1933, as amended; or

|_| Pursuant to and in compliance with Rule 144 under the Securities Act of 1933, as amended; or

|_| Pursuant to another available exemption from registration under the Securities Act of 1933, as amended.

Dated:

- ---

- ---
Signature(s)

- ---
Signature Guarantee

Signature(s) must be guaranteed by an eligible Guarantor Institution (banks, stock brokers, savings and loan associations and credit unions) with membership in an approved signature guarantee medallion program pursuant to Securities and Exchange Commission Rule 17Ad-15 Notes are to be delivered, other than to and in the name of the registered holder.

NOTICE: The signature on the assignment must correspond with the name as written upon the face of the Note in every particular without alteration or enlargement or any change whatever.

SCHEDULE A(3)

ALBANY INTERNATIONAL CORP.
2.25% Convertible Senior Notes Due 2026

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

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

(3) Insert in Global Note Only.

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.

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER AGREES (1) THAT IT WILL NOT WITHIN TWO YEARS AFTER THE LAST ORIGINAL ISSUE DATE OF THIS SECURITY, RESELL OR OTHERWISE TRANSFER THE SECURITY EVIDENCED HEREBY OR ANY COMMON STOCK ISSUABLE UPON CONVERSION OF SUCH SECURITY, EXCEPT (A) TO THE ISSUER OR A SUBSIDIARY THEREOF; (B) UNDER A REGISTRATION STATEMENT THAT HAS BECOME OR BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT; (C) TO A PERSON THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) THAT IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER QUALIFIED INSTITUTIONAL BUYER AND TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, ALL IN COMPLIANCE WITH RULE 144A (IF AVAILABLE); OR (D) UNDER ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT; AND (2) THAT IT WILL, PRIOR TO ANY TRANSFER OF THIS SECURITY WITHIN TWO YEARS AFTER THE LAST ORIGINAL ISSUE DATE OF THIS SECURITY PURSUANT TO CLAUSE (D) ABOVE FURNISH TO THE TRUSTEE AND THE ISSUER SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS MAY BE REQUIRED PURSUANT TO THE INDENTURE 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.

ALBANY INTERNATIONAL CORP.

2.25% Convertible Senior Note due 2026

No. 1 $150,000,000

CUSIP No. 012348 AB 4

Albany International Corp., a corporation duly organized and validly existing under the laws of the State of Delaware (herein called the "Company," which term includes any successor corporation or other entity under the Indenture referred to on the reverse hereof), for value received hereby promises to pay to CEDE & CO., or registered assigns, the principal sum of ONE HUNDRED FIFTY MILLION DOLLARS (which amount may from time to time be increased or decreased to such other principal amounts (which, taken together with the principal amounts of all other outstanding Notes, shall not, unless permitted by the Indenture, exceed $150,000,000 in aggregate at any time (or $180,000,000 if the Initial Purchasers exercise their option to purchase additional Notes in full as set forth in the Purchase Agreement)) by adjustments made on the records of the Trustee or the Custodian of the Depositary as set forth in Schedule A hereto, in accordance with the rules and procedures of the Depositary) on March 15, 2026, and interest thereon as set forth below and Additional Interest in the manner, at the rates and to the Persons set forth in the Registration Rights Agreement.

This Note shall bear interest at the rate of 2.25% per year from the date of original issuance of the Notes, or from the most recent date to which interest had been paid or provided for to, but excluding, the next scheduled Interest Payment Date until March 15, 2013. As of March 15, 2013, this Note shall bear interest at the rate of 3.25% per year from March 15, 2013, to, but excluding, the next scheduled Interest Payment Date until the principal hereof shall have been paid or made available for payment. Interest is payable semi-annually in arrears on each March 15 and September 15, commencing September 15, 2006, to holders of record at the close of business on the preceding March 1 and September 1 (whether or not such day is a Business Day), respectively.

Payment of the principal of, interest, including any Additional Interest, accrued on this Note shall be made at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, The City of New York, in such lawful money of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts; provided, however, interest, including Additional Interest, if any, may be paid by check mailed to such holder's address as it appears in the Note register; provided further, however, that, with respect to any Noteholder with an aggregate principal

amount in excess of $1,000,000, at the request of such holder in writing to the Trustee and the Paying Agent (if different than the Trustee), interest, including Additional Interest, if any, on such holder's Notes shall be paid by wire transfer in immediately available funds in accordance with the written wire transfer instruction supplied by such holder from time to time to the Trustee and Paying Agent (if different from the Trustee) not later than the applicable record date; provided that any payment to the Depositary or its nominee shall be paid by wire transfer in immediately available funds in accordance with the wire transfer instruction supplied by the Depositary or its nominee from time to time to the Trustee and Paying Agent (if different from Trustee).

Reference is made to the further provisions of this Note set forth on the reverse hereof, including, without limitation, provisions giving the holder of this Note the right to convert this Note into cash and Common Stock of the Company on the terms and subject to the limitations referred to on the reverse hereof and as more fully specified in the Indenture. Such further provisions shall for all purposes have the same effect as though fully set forth at this place.

This Note shall be deemed to be a contract made under the laws of the State of New York, and for all purposes shall be construed in accordance with and governed by the laws of said State (without regard to the conflicts of laws provisions thereof).

This Note shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been manually signed by the Trustee or a duly authorized authenticating agent under the Indenture.

[Remainder of page intentionally left blank]

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

ALBANY INTERNATIONAL CORP.

By: /s/ Michael C. Nahl

Name: Michael C. Nahl
Title: Executive Vice President & Chief Financial Officer

Dated: March 13, 2006

TRUSTEE'S CERTIFICATE OF AUTHENTICATION
JPMORGAN CHASE BANK, N.A.,
as Trustee, certifies that this is one of the Notes described in the within-named Indenture.

By: /s/ Michael A. Smith

Authorized Officer

REVERSE OF NOTE

ALBANY INTERNATIONAL CORP.
2.25% Convertible Senior Note due 2026

This Note is one of a duly authorized issue of Notes of the Company, designated as its 2.25% Convertible Senior Notes due 2026 (herein called the "Notes"), limited to the aggregate principal amount of $150,000,000 (or $180,000,000 if the Initial Purchasers exercise their option to purchase additional Notes in full as set forth in the Purchase Agreement) all issued or to be issued under and pursuant to an Indenture dated as of March 13, 2006 (herein called the "Indenture"), between the Company and JPMorgan Chase Bank, N.A. (herein called the "Trustee"), to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the holders of the Notes. Additional Notes may be issued in an unlimited aggregate principal amount, subject to certain conditions specified in the Indenture.

In case an Event of Default, as defined in the Indenture, shall have occurred and be continuing, the principal of, premium, if any, and interest, including Additional Interest, if any, on all Notes may be declared, by either the Trustee or Noteholders of not less than 25% in aggregate principal amount of Notes then outstanding, and upon said declaration shall become, due and payable, in the manner, with the effect and subject to the conditions provided in the Indenture.

Subject to the terms and conditions of the Indenture, the Company will make all payments and deliveries in respect of the Redemption Price, Repurchase Price, the Fundamental Change Repurchase Price, and the principal amount on the Maturity Date, as the case may be, to the holder who surrenders a Note to a Paying Agent to collect such payments in respect of the Note. The Company will pay cash amounts in money of the United States that at the time of payment is legal tender for payment of public and private debts.

The Indenture contains provisions permitting the Company and the Trustee in certain circumstances, without the consent of the holders of the Notes, and in other circumstances, with the consent of the holders of not less than a majority in aggregate principal amount of the Notes at the time outstanding, evidenced as in the Indenture provided, to execute supplemental indentures modifying the terms of the Indenture and the Notes as described therein. It is also provided in the Indenture that the holders of a majority in aggregate principal amount of the Notes at the time outstanding may on behalf of the holders of all of the Notes waive any past Default or Event of Default under the Indenture and its

consequences except as provided in the Indenture. Any such consent or waiver by the holder of this Note (unless revoked as provided in the Indenture) shall be conclusive and binding upon such holder and upon all future holders and owners of this Note and any Notes that may be issued in exchange or substitution hereof or upon registration of transfer hereof, irrespective of whether or not any notation thereof is made upon this Note or such other Notes.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of, premium, if any, and accrued and unpaid interest, and Additional Interest, if any, on this Note at the place, at the respective times, at the rate and in the lawful money herein prescribed.

The Notes are issuable in registered form without coupons in denominations of $1,000 principal amount and integral multiples thereof. At the office or agency of the Company referred to on the face hereof, and in the manner and subject to the limitations provided in the Indenture, without payment of any service charge but with payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration or exchange of Notes, Notes may be exchanged for a like aggregate principal amount of Notes of other authorized denominations.

The Notes are not subject to redemption through the operation of any sinking fund. Prior to March 15, 2013, the Notes will not be redeemable at the Company's option. Subject to the terms and conditions of the Indenture, beginning on March 15, 2013, the Company, at its option, may redeem the Notes for cash at any time as a whole, or from time to time in part, at a price equal to the principal amount of the Notes redeemed plus accrued and unpaid interest, and Additional Interest, if any, on the Notes redeemed to (but excluding) the Redemption Date.

Subject to the terms and conditions of the Indenture, the Company shall become obligated to purchase, at the option of the holder, all or any portion of Notes held by such holder on March 15, 2013 and March 15, 2021, in integral multiples of $1,000 at a Repurchase Price equal to the principal amount of the Notes repurchased.

Upon the occurrence of a Fundamental Change, the holder has the right, at such holder's option, to require the Company to repurchase all of such holder's Notes or any portion thereof (in principal amounts of $1,000 or integral multiples thereof) on the Fundamental Change Repurchase Date at a price equal to 100% of the principal amount of the Notes such holder elects to require the Company to repurchase, together with accrued and unpaid interest, including accrued and

unpaid Additional Interest, if any, to but excluding the Fundamental Change Repurchase Date. The Company or, at the written request of the Company, the Trustee shall mail to all holders of record of the Notes a notice of the occurrence of a Fundamental Change and of the repurchase right arising as a result thereof on or before the fifth Business Day after the occurrence of such Fundamental Change.

Subject to the provisions of the Indenture, the holder hereof has the right, at its option, during certain periods and upon the occurrence of certain conditions specified in the Indenture and prior to the close of business on the Business Day immediately preceding the Maturity Date, to convert any Notes or portion thereof that is $1,000 or an integral multiple thereof, into cash and, if applicable, shares of Common Stock, at a Conversion Rate specified in the Indenture, as adjusted from time to time as provided in the Indenture, upon surrender of this Note, together with a conversion notice as provided in the Indenture and this Note, to the Company at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, The City of New York, and, unless the shares issuable on conversion are to be issued in the same name as this Note, duly endorsed by, or accompanied by instruments of transfer in form satisfactory to the Company duly executed by, the holder or by its duly authorized attorney. The initial Conversion Rate shall be 22.4618 shares for each $1,000 principal amount of Notes. No fractional shares of Common Stock will be issued upon any conversion, but an adjustment in cash will be paid to the holder, as provided in the Indenture, in respect of any fraction of a share that would otherwise be issuable upon the surrender of any Note or Notes for conversion. No adjustment shall be made for dividends or any shares issued upon conversion of such Note except as provided in the Indenture.

Upon due presentment for registration of transfer of this Note at the office or agency of the Company in the Borough of Manhattan, The City of New York, a new Note or Notes of authorized denominations for an equal aggregate principal amount will be issued to the transferee in exchange thereof, subject to the limitations provided in the Indenture, without charge except for any tax, assessments or other governmental charge imposed in connection therewith.

The Company, the Trustee, any authenticating agent, any Paying Agent, any Conversion Agent and any Note registrar may deem and treat the registered holder hereof as the absolute owner of this Note (whether or not this Note shall be overdue and notwithstanding any notation of ownership or other writing hereon), for the purpose of receiving payment hereof, or on account hereof, for the conversion hereof and for all other purposes, and neither the Company nor the Trustee nor any other authenticating agent nor any Paying Agent nor any other Conversion Agent nor any Note registrar shall be affected by any notice to the

contrary. Notwithstanding the foregoing, the Indenture provides that following a Default, owners of beneficial interests in a Global Note may directly enforce against the Company such owners' right to exchange such beneficial interest for Notes in certificated form. All payments made to or upon the order of such registered holder shall, to the extent of the sum or sums paid, satisfy and discharge liability for monies payable on this Note.

No recourse for the payment of the principal of or any premium or accrued and unpaid interest, including Additional Interest, if any, on this Note, or for any claim based hereon or otherwise in respect hereof, and no recourse under or upon any obligation, covenant or agreement of the Company in the Indenture or any indenture supplemental thereto or in any Note, or because of the creation of any indebtedness represented thereby, shall be had against any incorporator, stockholder, employee, agent, officer, director or subsidiary, as such, past, present or future, of the Company or of any successor corporation or other entity, either directly or through the Company or any successor corporation or other entity, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released.

Terms used in this Note and defined in the Indenture are used herein as therein defined.

ABBREVIATIONS

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

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

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

UNIF GIFT MIN ACT

---------- Custodian

(Cust)

(Minor)

Uniform Gifts to Minors Act _____ (State)

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

[FORM OF NOTICE OF CONVERSION]

To: Albany International Corp.

The undersigned registered owner of this Note hereby exercises the option to convert this Note, or the portion hereof (that is $1,000 principal amount or an integral multiple thereof) below designated, into cash and shares of Common Stock, if any, in accordance with the terms of the Indenture referred to in this Note, and directs that the shares issuable and deliverable upon such conversion, if any, together with any cash comprising a portion of the Daily Settlement Amounts for each of the twenty-five Trading Days during the Cash Settlement Averaging Period and for fractional shares and any Notes representing any unconverted principal amount hereof, be issued and delivered to the registered holder hereof unless a different name has been indicated below. If shares or any portion of this Note not converted are to be issued in the name of a Person other than the undersigned, the undersigned will pay all transfer taxes payable with respect thereto. Any amount required to be paid to the undersigned on account of interest accompanies this Note.

Dated:

---------- ----------

Signature(s)

- ---

Signature Guarantee

Signature(s) must be guaranteed by an eligible Guarantor Institution (banks, stock brokers, savings and loan associations and credit unions) with membership in an approved signature guarantee medallion program pursuant to Securities and Exchange Commission Rule 17Ad-15 if shares of Common Stock are to be issued, or Notes to be delivered, other than to and in the name of the registered holder.

Fill in for registration of shares if to be issued, and Notes if to be delivered, other than to and in the name of the registered holder:

- ---------------------------------
(Name)

- ---------------------------------
(Street Address)

- ---------------------------------
(City, State and Zip Code)
Please print name and address

Principal amount to be converted (if less than all): $_____,000

NOTICE: The above signature(s) of the holder(s) hereof must correspond with the name as written upon the face of the Note in every particular without alteration or enlargement or any change whatever.

Social Security or Other Taxpayer Identification Number

[FORM OF FUNDAMENTAL CHANGE REPURCHASE NOTICE]

To: Albany International Corp.

The undersigned registered owner of this Note hereby acknowledges receipt of a notice from Albany International Corp. (the "Company") as to the occurrence of a Fundamental Change with respect to the Company and requests and instructs the Company to repay the entire principal amount of this Note, or the portion thereof (that is $1,000 principal amount or an integral multiple thereof) below designated, in accordance with the applicable provisions of the Indenture referred to in this Note, together with accrued and unpaid interest, including Additional Interest, if any, to, but excluding, such date, to the registered holder hereof.

In the case of certificated Notes, the certificate numbers of the Notes to be repurchased are as set forth below:

Dated:

Signature(s)

Social Security or Other Taxpayer Identification Number

Principal amount to be repaid (if less than all): $_____,000

NOTICE: The above signature(s) of the holder(s) hereof must correspond with the name as written upon the face of the Note in every particular without alteration or enlargement or any change whatever.

[FORM OF REPURCHASE NOTICE]

To: Albany International Corp.

The undersigned registered owner of this Note hereby requests and instructs Albany International Corp. to repay the entire principal amount of this Note, or the portion thereof (that is $1,000 principal amount or an integral multiple thereof) below designated, in accordance with the terms and conditions of the Indenture referred to in this Note at the Repurchase Price to the registered holder hereof.

In the case of certificated Notes, the certificate numbers of the Notes to be repurchased are as set forth below:

Dated:

Signature(s)

Social Security or Other Taxpayer Identification Number

Principal amount to be repaid (if less than all): $_____,000

NOTICE: The above signature(s) of the holder(s) hereof must correspond with the name as written upon the face of the Note in every particular without alteration or enlargement or any change whatever.

[FORM OF ASSIGNMENT AND TRANSFER]

For value received _____ hereby sell(s), assign(s) and transfer(s) unto _____ (Please insert social security or Taxpayer Identification Number of assignee) the within Note, and hereby irrevocably constitutes and appoints _____ _____ attorney to transfer the said Note on the books of the Company, with full power of substitution in the premises.

In connection with any transfer of the within Note occurring prior to the Resale Restriction Termination Date, as defined in the Indenture governing such Note, the undersigned confirms that such Note is being transferred:

|_| To Albany International Corp. or a subsidiary thereof; or

|_| Pursuant to the registration statement that has become or been declared effective under the Securities Act of 1933, as amended; or

|_| Pursuant to and in compliance with Rule 144A under the Securities Act of 1933, as amended; or

|_| Pursuant to and in compliance with Rule 144 under the Securities Act of 1933, as amended; or

|_| Pursuant to another available exemption from registration under the Securities Act of 1933, as amended.

Dated:

- ---
Signature(s)

- ---
Signature Guarantee

- ---
Signature(s) must be guaranteed by an eligible
Guarantor Institution (banks, stock brokers,
savings and loan associations and credit unions)
with membership in an approved signature guarantee
medallion program pursuant to Securities and
Exchange Commission Rule 17Ad-15 Notes are to be
delivered, other than to and in the name of the
registered holder.

NOTICE: The signature on the assignment must correspond with the name as written upon the face of the Note in every particular without alteration or enlargement or any change whatever.

SCHEDULE A

ALBANY INTERNATIONAL CORP.
2.25% Convertible Senior Notes Due 2026

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

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

Exhibit 4.3

EXECUTION COPY

Albany International Corp.

2.25% Convertible Senior Notes Due 2026

Registration Rights Agreement

March 13, 2006

J.P. Morgan Securities Inc.
277 Park Avenue
9th Floor
New York, New York 10172

Banc of America Securities LLC
9 West 57th Street
New York, New York 10019

Ladies and Gentlemen:

Albany International Corp., a Delaware corporation (the "Company"), proposes to issue and sell to the initial purchasers (the "Initial Purchasers") listed on Schedule I to the purchase agreement dated March 8, 2006 (the "Purchase Agreement"), for whom J.P. Morgan Securities Inc. ("JPMorgan") and Banc of America Securities LLC ("Banc of America") are acting as representatives, up to $180,000,000 aggregate principal amount of its 2.25% Convertible Senior Notes due 2026 (the "Notes"). Capitalized terms used but not defined herein shall have the meanings given to such terms in the Purchase Agreement.

As an inducement to the Initial Purchasers to enter into the Purchase Agreement and in satisfaction of a condition to the obligations of the Initial Purchasers thereunder, the Company agrees with the Initial Purchasers, for the benefit of the holders (including the Initial Purchasers) of the Notes and the Shares (as defined below) (collectively, the "Holders"), as follows:

1. Certain Definitions.

For purposes of this Registration Rights Agreement, the following terms shall have the following meanings:

(a) "Additional Interest" has the meaning assigned thereto in Section 2(d).

(b) "Additional Interest Payment Date" has the meaning assigned thereto in Section 2(d).

(c) "Affiliate" has the meaning set forth in Rule 405 under the Securities Act, except where otherwise expressly provided.

(d) "Agreement" means this Registration Rights Agreement, as the same may be amended from time to time pursuant to the terms hereof.

(e) "Business Day" means any day on which The New York Stock Exchange, Inc. is open for trading.

(f) "Closing Date" means the date on which any Notes are initially issued.

(g) "Commission" means the Securities and Exchange Commission, or any other federal agency at the time administering the Exchange Act or the Securities Act, whichever is the relevant statute for the particular purpose.

(h) "Company" has the meaning specified in the first paragraph of this Agreement.

(i) "Deferral Notice" has the meaning assigned thereto in Section 3(b).

(j) "Deferral Period" has the meaning assigned thereto in Section 3(b).

(k) "Effective Period" has the meaning assigned thereto in Section 2(a).

(l) "Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(m) "Holder" means each holder, from time to time, of Registrable

Securities (including the Initial Purchasers).

(n) "Indenture" means the Indenture dated as of March 13, 2006, among the Company and JPMorgan Chase Bank, N.A., as Trustee pursuant to which the Notes are being issued.

(o) "Initial Placement" means the initial placement of the Notes pursuant to the terms of the Purchase Agreement.

(p) "Initial Purchasers" has the meaning specified in the first paragraph of this Agreement.

(q) "Material Event" has the meaning assigned thereto in Section 3(a)(iii).

(r) "Majority Holders" shall mean, on any date, holders of the majority of the Shares constituting Registrable Securities; for the purposes of this definition, Holders of Notes constituting Registrable Securities shall be deemed to be the Holders of

the number of Shares into which such Notes are or would be convertible as of such date.

(s) "NASD" shall mean the National Association of Securities Dealers, Inc.

(t) "NASD Rules" shall mean the Conduct Rules and the By-Laws of the NASD.

(u) "Notes" means the 2.25% Convertible Senior Notes Due 2026 to be issued under the Indenture and sold by the Company to the Initial Purchasers.

(v) "Notice and Questionnaire" means a written notice delivered to the Company containing substantially the information called for by the Form of Selling Securityholder Notice and Questionnaire attached as Annex A to the Offering Memorandum.

(w) "Notice Holder" means, on any date, any Holder that has delivered a Notice and Questionnaire to the Company on or prior to such date.

(x) "Offering Memorandum" means the Offering Memorandum dated March 8, 2006 relating to the offer and sale of the Securities.

(y) "Person" means a corporation, limited liability company, association, partnership, organization, business, individual, government or political subdivision thereof or governmental agency.

(z) "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 a registration statement in reliance upon Rule 430A under the Securities Act), as amended or supplemented by any amendment or prospectus supplement, including post-effective amendments, and all materials incorporated by reference or explicitly deemed to be incorporated by reference in such Prospectus.

(aa) "Purchase Agreement" has the meaning specified in the first paragraph of this Agreement.

(bb) "Registrable Securities" means the Securities; provided, however, that such Securities shall cease to be Registrable Securities when (i) in the circumstances contemplated by Section 2(a), a registration statement registering such Securities under the Securities Act has been declared or becomes effective and such Securities have been sold or otherwise transferred by the Holder thereof pursuant to such effective registration statement; (ii) such Securities are sold pursuant to Rule 144 under circumstances in which any legend borne by such Securities relating to restrictions on transferability

thereof, under the Securities Act or otherwise, is removed or such Securities are eligible to be sold pursuant to Rule 144(k) or any successor provision; or (iii) such Securities shall cease to be outstanding (including, in the case of the Notes, upon conversion into Shares).

(cc) "Registration Default" has the meaning assigned thereto in Section 2(e).

(dd) "Registration Expenses" has the meaning assigned thereto in Section 5.

(ee) "Rules" refers to the rules promulgated under the Securities Act.

(ff) "Securities" means, collectively, the Notes and the Shares.

(gg) "Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

(hh) "Shares" means the shares of Class A common stock of the Company, par value $0.001 per share, into which the Notes are convertible or that have been issued upon any conversion from Notes into Class A common stock of the Company.

(ii) "Shelf Registration Statement" means the shelf registration statement referred to in Section 2(a), as amended or supplemented by any amendment or supplement, including post-effective amendments and any additional information contained in a form of prospectus or prospectus supplement that is deemed retroactively to be a part of the shelf registration statement pursuant to Rules 430A, 430B or 430C, and all materials incorporated by reference or explicitly deemed to be incorporated by reference in such Shelf Registration Statement.

(jj) "Special Counsel" shall have the meaning assigned thereto in Section 5.

(kk) "Trustee" shall have the meaning assigned such term in the Indenture.

(ll) "Trust Indenture Act" means the Trust Indenture Act of 1939, or any successor thereto, and the rules, regulations and forms promulgated thereunder, all as the same shall be amended from time to time.

Unless the context otherwise requires, any reference herein to a "Section" or "clause" refers to a Section or clause, as the case may be, of this Agreement, and the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section or other subdivision. Unless the context otherwise requires, any reference to a statute, rule or regulation refers to the same (including any successor statute, rule or regulation thereto) as it may be amended from time to time.

2. Registration Under the Securities Act.

(a) The Company agrees to file under the Securities Act as promptly as practicable, but in any event within 90 days after the Closing Date, a shelf registration statement providing for the registration of, and the sale on a continuous or delayed basis by the Holders of, all of the Registrable Securities pursuant to Rule 415 under the Securities Act or any similar rule that may be adopted by the Commission; provided, that such registration statement shall be an "automatic shelf registration statement," as such term is defined in Rule 405 under the Securities Act, if the Company is then eligible to use automatic shelf registration statements. If the Shelf Registration Statement is not an automatic shelf registration statement, the Company agrees to use its reasonable best efforts to cause the Shelf Registration Statement to be declared effective as promptly as possible, but in any event no later than 180 days after the Closing Date. The Company agrees to use reasonable efforts to keep the Shelf Registration Statement continuously effective until the earlier of (i) the second anniversary of the Closing Date or (ii) such time as there are no longer any Registrable Securities outstanding (the "Effective Period"). None of the Company's securityholders (other than Holders of Registrable Securities) shall have the right to include any of the Company's securities in the Shelf Registration Statement.

(b) The Company further agrees that it shall cause the Shelf Registration Statement, the related Prospectus and any amendment or supplement thereto, as of the effective date of the Shelf Registration Statement, as of the time of sale of any Securities under such Shelf Registration Statement, and as of the date of any such amendment or supplement, (i) to comply in all material respects with the applicable requirements of the Securities Act; and (ii) not to contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein (in the case of the Prospectus, in the light of the circumstances under which they were made) not misleading, and the Company agrees to furnish to the Holders of the Registrable Securities seeking to sell Securities pursuant to such amendment or supplement, and to any other Holder upon such Holder's request, copies of any supplement or amendment prior to its being used or promptly following its filing with the Commission; provided, however, that the Company shall have no obligation to deliver to the Holders of the Registrable Securities copies of any amendment consisting exclusively of an Exchange Act report or other Exchange Act filing otherwise publicly available on the Company's website. If the Shelf Registration Statement, as amended or supplemented from time to time, ceases to be effective for any reason at any time during the Effective Period (other than because all Registrable Securities registered thereunder shall have been sold pursuant thereto or shall have otherwise ceased to be Registrable Securities), the Company shall use its reasonable best efforts to obtain the prompt withdrawal of any order suspending the effectiveness thereof.

(c) Each Holder of Registrable Securities agrees that if such Holder wishes to sell Registrable Securities pursuant to the Shelf Registration Statement and related Prospectus, it will do so only in accordance with this Section 2(c) and with Section 3(b). From and after the date the Shelf Registration Statement is initially effective, the Company shall, as promptly as is practicable after the date a Notice and Questionnaire is delivered, and in any event within the later of (x) fifteen (15) Business Days after the date such Notice and Questionnaire is delivered, or (y) if a Notice and Questionnaire is delivered during a Deferral Period, the fifth Business Day after the expiration of such Deferral Period,

(i) file with the Commission a post-effective amendment to the Shelf Registration Statement or prepare and file a supplement to the related Prospectus or a supplement or amendment to any document incorporated therein by reference or file any other required document so that the Holder delivering such Notice and Questionnaire is named as a selling security holder in the Shelf Registration Statement and the related Prospectus in such a manner as to permit such Holder to deliver such Prospectus to purchasers of the Registrable Securities if required by applicable law and, if the Company shall file a post-effective amendment to the Shelf Registration Statement and such amendment is not automatically effective, use its reasonable efforts to cause such post-effective amendment to be declared effective under the Securities Act as promptly as is practicable;

(ii) provide such Holder copies of any documents filed pursuant to Section 2(c)(i); and

(iii) notify such Holder as promptly as practicable after the effectiveness under the Securities Act of any post-effective amendment filed pursuant to Section 2(c)(i);

provided that in no event shall the Company be required to make more than one such filing during any 15 Business Day period and, in addition, if the Shelf Registration Statement is not an automatic shelf registration statement, the Company shall not be required to make more than one such filing in any calendar quarter in the form of a post-effective amendment to the Shelf Registration Statement; provided, further, that if such Notice and Questionnaire is delivered during a Deferral Period, the Company shall so inform the Holder delivering such Notice and Questionnaire and shall take the actions set forth in clauses (i), (ii) and (iii) above upon expiration of the Deferral Period in accordance with Section 3(b). 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.

(d) If any of the following events (any such event a "Registration Default") shall occur, then additional interest (the "Additional Interest") shall become payable by the Company to Holders in respect of the Notes as follows:

(i) if the Shelf Registration Statement is not filed with the Commission within 90 days following the Closing Date, then commencing on the 91st day after the Closing Date, Additional Interest shall accrue on the principal amount of the outstanding Notes that are Registrable Securities at a rate of 0.25% per annum for the first 90 days following such 91st day and at a rate of 0.5% per annum thereafter; or

(ii) if the Shelf Registration Statement has not become or is not declared effective by the Commission within 180 days following the Closing Date, then commencing on the 181st day after the Closing Date, Additional Interest shall accrue on the principal amount of the outstanding Notes that are Registrable Securities at a rate of 0.25% per annum for the first 90 days following such 181st day and at a rate of 0.5% per annum thereafter; or

(iii) if the Shelf Registration Statement has become or been declared effective but such Shelf Registration Statement ceases to be effective at any time during the Effective Period (other than pursuant to Section 3(b) hereof), then commencing on the day such Shelf Registration Statement ceases to be effective, Additional Interest shall accrue on the principal amount of the outstanding Notes that are Registrable Securities at a rate of 0.25% per annum for the first 90 days following such date on which the Shelf Registration Statement ceases to be effective and at a rate of 0.5% per annum thereafter; or

(iv) if the aggregate duration of Deferral Periods in any period exceeds the number of days permitted in respect of such period pursuant to Section 3(b) hereof, then commencing on the day the aggregate duration of Deferral Periods in any period exceeds the number of days permitted in respect of such period (and again on the first day of any subsequent Deferral Period during such period), Additional Interest shall accrue on the principal amount of the outstanding Notes that are Registrable Securities at a rate of 0.25% per annum for the first 90 days and at a rate of 0.5% per annum thereafter;

provided, however, that the Additional Interest rate on the Notes shall not exceed in the aggregate 0.5% per annum and shall not be payable under more than one clause above for any given period of time, except that if Additional Interest would be payable under more than one clause above, but at a rate of 0.25% per annum under one clause and at a rate of 0.5% per annum under the other, then the Additional Interest rate shall be the higher rate of 0.5% per annum; provided further, however, that (1) upon the filing of the Shelf Registration Statement (in the case of clause (i) above), (2) upon the effectiveness of the Shelf Registration Statement (in the case of clause (ii) above), (3) upon the effectiveness

of the Shelf Registration Statement which had ceased to remain effective (in the case of clause (iii) above), (4) upon the termination of the Deferral Period that caused the limit on the aggregate duration of Deferral Periods in a period set forth in Section 3(b) to be exceeded (in the case of clause (iv) above) or (5) upon the termination of certain transfer restrictions on the Securities as a result of the application of Rule 144(k) or any successor provision, Additional Interest on the Notes as a result of such clause, as the case may be, shall cease to accrue; provided, further that in no event will Additional Interest be payable in connection with a Registration Default relating to a failure to register the Class A common stock deliverable upon conversion of the Notes. For the avoidance of doubt, if the Company fails to register both the Notes and the Class A common stock deliverable upon conversion of the Notes, then Additional Interest will be payable in connection with the Registration Default relating to the failure to register the Notes.

Additional Interest on the Notes, if any, will be payable in cash on March 15 and September 15 of each year (the "Additional Interest Payment Date") to holders of record of outstanding Notes that are Registrable Securities at the close of business on March 1 or September 1 (whether or not a Business Day), as the case may be, immediately preceding the relevant interest payment date, provided that any Additional Interest accrued with respect to any Notes or portion thereof called for redemption on a redemption date or converted into Shares on a conversion date prior to the Registration Default shall, in any such event, be paid instead to the Holder who submitted such Notes or portion thereof for redemption or conversion on the applicable redemption date or conversion date, as the case may be, on such date (or promptly following the conversion date, in the case of conversion). Following the cure of all Registration Defaults requiring the payment of Additional Interest to the Holders of Notes that are Registrable Securities pursuant to this Section, the accrual of Additional Interest will cease (without in any way limiting the effect of any subsequent Registration Default requiring the payment of Additional Interest).

The Company shall notify the Trustee immediately upon the happening of each and every Registration Default. Notwithstanding the foregoing, the parties agree that the sole monetary damages payable for a violation of the terms of this Agreement with respect to which additional monetary amounts are expressly provided shall be as set forth in this Section 2(d). Nothing shall preclude a Notice Holder or Holder of Registrable Securities from pursuing or obtaining specific performance or other equitable relief with respect to this Agreement.

3. Registration Procedures.

The following provisions shall apply to the Shelf Registration Statement filed pursuant to Section 2:

(a) The Company shall:

(i) furnish to the Initial Purchasers copies of any Shelf Registration Statement or Prospectus or any amendments or supplements thereto proposed to be filed with the Commission relating to the Registrable Securities within three (3) Business Days prior to filing any such Shelf Registration Statement or Prospectus or any amendments or supplements thereto with the Commission;

(ii) use its reasonable efforts to prepare and file with the Commission such amendments and post-effective amendments to the Shelf Registration Statement and file with the Commission any other required document as may be necessary to keep such Shelf Registration Statement continuously effective until the expiration of the Effective Period; use reasonable efforts to cause the related Prospectus to be supplemented by any required prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 (or any similar provisions then in force) under the Securities Act; and comply with the provisions of the Securities Act applicable to it with respect to the disposition of all Securities covered by such Shelf Registration Statement during the Effective 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;

(iii) as promptly as practicable, notify the Notice Holders of Registrable Securities (A) when such Shelf Registration Statement or the Prospectus included therein or any amendment or supplement to the Prospectus or post-effective amendment has been filed with the Commission, and, with respect to such Shelf Registration Statement or any post-effective amendment, when the same is declared or has become effective, (B) of any request, following the effectiveness of the Shelf Registration Statement, by the Commission or any other Federal or state governmental authority for amendments or supplements to the Shelf Registration Statement or related Prospectus or for additional information, (C) of the issuance by the Commission of any stop order suspending the effectiveness of such Shelf Registration Statement or the initiation or written threat of any proceedings for that purpose, (D) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Registrable Securities for sale in any jurisdiction or the initiation or written threat of any proceeding for such purpose, (E) of the occurrence of (but not the nature of or details concerning) 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 required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (a "Material Event") (provided, however, that no notice by the Company shall be required pursuant to this clause (E) in the event that the Company either promptly files a prospectus

supplement to update the Prospectus or a Form 8-K or other appropriate Exchange Act report that is incorporated by reference into the Shelf Registration Statement, which, in either case, contains the requisite information with respect to such Material Event that results in such Shelf Registration Statement or Prospectus, as the case may be, no longer containing any untrue statement of material fact or omitting to state a material fact necessary to make the statements contained therein, in the case of the Prospectus, in light of the circumstances under which they were made, not misleading), (F) of the determination by the Company that a post-effective amendment to the 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(b)), state that it constitutes a Deferral Notice, in which event the provisions of Section 3(b) shall apply or (G) at any time when a Prospectus is required (or but for the exemption contained in Rule 172 would be required) to be delivered under the Securities Act, that the Shelf Registration Statement, Prospectus, or any amendment, supplement or post-effective amendment thereto does not conform in all material respects to the applicable requirements of the Securities Act and the Trust Indenture Act and the rules and regulations of the Commission thereunder;

(iv) prior to any public offering of the Registrable Securities pursuant to the Shelf Registration Statement, use its reasonable best efforts to register or qualify, or cooperate with the Notice Holders of Securities included therein in connection with the registration or qualification of, such Securities for offer and sale under the securities or blue sky laws of such jurisdictions as any such Notice Holders reasonably requests in writing; prior to any public offering of the Registrable Securities pursuant to the Shelf Registration Statement, use its reasonable efforts to keep each such registration or qualification (or exemption therefrom) effective during the Effective 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 Shelf Registration Statement and the related Prospectus; provided that the Company will not be required to qualify generally to do business in any jurisdiction where it is not then so qualified or to take any action which would subject it to general service of process or to taxation in any such jurisdiction where it is not then so subject;

(v) use its reasonable best efforts to prevent the issuance of, and if issued, to obtain the withdrawal of any order suspending the effectiveness of the Shelf Registration Statement or any post-effective amendment thereto, and to lift any suspension of the qualification of any of the Registrable Securities for sale in any jurisdiction in which they have been qualified for sale, in each case at the earliest practicable date;

(vi) upon reasonable notice, for a reasonable period prior to the filing of the Shelf Registration Statement, and throughout the Effective Period, (i) make reasonably available for inspection during normal business hours by a representative of, and Special Counsel acting for, Majority Holders of the Securities being sold, all relevant financial and other records, pertinent corporate documents and properties of the Company and its subsidiaries and (ii) use reasonable best efforts to have their officers, directors, employees, accountants and counsel supply all relevant information reasonably requested by such representative or Special Counsel in connection with such Shelf Registration Statement, in each case as is customary for similar "due diligence" examinations; provided that such persons shall first agree in writing with the Company that any non-public information shall be kept confidential by such persons and shall be used solely in connection with the exercise of rights under this Agreement or in connection with such disposition, unless (i) disclosure of such information is required by court or administrative order or is necessary to respond to inquiries of regulatory authorities, (ii) disclosure of such information is required by law, (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 in violation of any obligation described herein or (iv) such information becomes available to any such person from a source other than the Company and such source is not shown to be bound by a confidentiality agreement with respect to such information, and provided further that in connection with such disposition, nothing in this Agreement shall (a) prevent such person from complying with all applicable disclosure laws and regulations in connection with such disposition, (b) restrict the ability of such person to consider such information for due diligence purposes or to share such information with other initial purchasers, underwriters, agents, dealers, selling holders or similar participants in such disposition, subject to the execution by such other persons of reasonable non-disclosure agreements with the Company, (c) prevent such persons from retaining documents or other information in connection with their due diligence efforts or (d) prevent such persons from using any such information in investigating or defending themselves against claims made or threatened by purchasers, regulatory authorities or others in connection with such disposition. 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 Special Counsel. Any person legally compelled to disclose any such confidential information made available for inspection shall, to the extent not prohibited by law, rule or regulation, provide the Company with prompt prior written notice of such requirement so that the Company may seek a protective order or other appropriate remedy;

(vii) if reasonably requested by the Initial Purchasers or any Notice Holder, promptly incorporate in a prospectus supplement or post-effective

amendment to the Shelf Registration Statement such information as the Initial Purchasers or such Notice Holder shall, on the basis of a written opinion of nationally-recognized counsel experienced in such matters, 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, that the Company shall not be required to take any actions under this Section 3(a)(vii) that are not, in the reasonable opinion of counsel for the Company, required under applicable law;

(viii) as promptly as practicable, furnish to each Notice Holder and the Initial Purchasers, upon their request and without charge, at least one (1) conformed copy of the Shelf Registration Statement and any amendments thereto, including financial statements but excluding schedules, all documents incorporated or deemed to be incorporated therein by reference and all exhibits; provided, however, that the Company shall have no obligation to deliver to Notice Holders or Initial Purchasers a copy of any amendment consisting exclusively of an Exchange Act report or other Exchange Act filing otherwise publicly available on the Company's website;

(ix) during the Effective Period, deliver to each Notice Holder in connection with any sale of Registrable Securities pursuant to the Shelf Registration Statement, without charge, as many copies of the Prospectus relating to such Registrable Securities (including each preliminary prospectus) and any amendment or supplement thereto as such Notice Holder may reasonably request; and the Company hereby consents (except during such periods that a Deferral Notice is outstanding and has not been revoked) to the use of such Prospectus or 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;

(x) cooperate with the Notice Holders to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold pursuant to the Shelf Registration Statement free of any restrictive legends and in such denominations as permitted by the Indenture and registered in such names as the Holders thereof may request in writing at least two business days prior to sales of Securities pursuant to such Shelf Registration Statement; and

(xi) not use, authorize the use of, refer to, or participate in the planning for use of, any "free writing prospectus", as defined in Rule 405 under the Securities Act, in connection with the offering or sale of the Securities, without the consent of Holders of Registrable Securities who are seeking to sell Securities pursuant to the Shelf Registration Statement or relevant supplement or amendment thereto.

(b) Upon (A) the issuance by the Commission of a stop order suspending the effectiveness of the Shelf Registration Statement or the initiation of proceedings with respect to the Shelf Registration Statement under Section 8(d) or 8(e) of the Securities Act, (B) the occurrence of or the existence of any Material Event, or (C) the occurrence or existence of any corporate development that, in the discretion of the Company, makes it appropriate to suspend the availability of the Shelf Registration Statement and the related Prospectus, the Company will (i) in the case of clause (B) above, subject to the next sentence of this provision, as promptly as practicable prepare and file an amendment to such Shelf Registration Statement or a supplement to the related 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 such Prospectus 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, in the light of the circumstances under which they were made, not misleading, as thereafter delivered or made available to the purchasers of the Registrable Securities being sold thereunder, and, in the case of a post-effective amendment to the Shelf Registration Statement, subject to the next sentence of this provision, use reasonable efforts to cause it to be declared effective as promptly as is practicable, and (ii) give notice to the Notice Holders that the availability of the Shelf Registration Statement is suspended (a "Deferral Notice"). The Company will use its 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 practicable, (y) in the case of clause (B) above, as soon as, in the sole judgment of the Company, public disclosure of such Material Event would not be prejudicial to or contrary to the interests of the Company or, if necessary to avoid unreasonable burden or expense, as soon as practicable thereafter and (z) in the case of clause (C) above, as soon as, in the discretion of the Company, such suspension is no longer appropriate; provided that the period during which the availability of the Shelf Registration Statement and any Prospectus is suspended (the "Deferral Period"), without the Company incurring any obligation to pay Additional Interest pursuant to Section 2(d), shall not exceed one hundred and twenty (120) days in the aggregate in any twelve (12) month period.

(c) Each Notice Holder agrees that upon receipt of any Deferral Notice from the Company, such Notice Holder shall forthwith discontinue (and cause any placement or sales agent acting on its behalf to discontinue) the disposition of Registrable Securities pursuant to the Shelf Registration Statement until such Notice Holder (i) shall have received copies of such amended or supplemented Prospectus (including copies of any additional or supplemental filings that are incorporated or deemed incorporated by reference in such Prospectus) and, if so directed by the Company, such Holder shall deliver to the Company (at the Company's expense) all copies, other than permanent file copies, then in such Holder's possession of the Prospectus covering such Registrable

Securities at the time of receipt of such notice or (ii) shall have received notice from the Company that the disposition of Registrable Securities pursuant to the Shelf Registration may continue.

(d) The Company may require each Holder of Registrable Securities as to which any registration pursuant to Section 2(a) is being effected to furnish to the Company such information regarding such Holder and such Holder's intended method of distribution of such Registrable Securities as the Company may from time to time reasonably request in writing, but only to the extent that such information is required in order to comply with the Securities Act.

(e) The Company shall comply with all applicable rules and regulations of the Commission and make generally available to its securityholders earning statements (which need not be audited) satisfying the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder (or any similar rule promulgated under the Securities Act) no later than 45 days after the end of any 12-month period (or 90 days after the end of any 12-month period if such period is a fiscal year) commencing on the first day of the first fiscal quarter of the Company commencing after the effective date of the Shelf Registration Statement, which statements shall cover said 12-month periods.

(f) The Company shall provide a CUSIP number for all Registrable Securities covered by the Shelf Registration Statement not later than the initial effective date of such Shelf Registration Statement and provide the Trustee and the transfer agent for the Shares with printed certificates for the Registrable Securities that are in a form eligible for deposit with The Depository Trust Company.

(g) The Company shall use its reasonable efforts to provide such information as is required for any filings required to be made with the National Association of Securities Dealers, Inc.

(h) Until the expiration of two years after the Closing Date, the Company will not, and will not permit any of its "affiliates" (as defined in Rule 144) to, resell any of the Securities that have been reacquired by any of them except pursuant to an effective registration statement under the Securities Act.

(i) The Company shall cause the Indenture to be qualified under the Trust Indenture Act in a timely manner and shall enter into any necessary supplemental indentures in connection therewith.

(j) The Company shall enter into such customary agreements and take all such other reasonable and lawful actions in connection therewith (including those requested by the Majority Holders of the Registrable Securities being sold) in order to expedite or facilitate disposition of such Registrable Securities.

4. Holder's Obligations.

(a) 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 the Shelf Registration Statement or to receive a Prospectus relating thereto, unless such Holder has furnished the Company with a Notice and Questionnaire as required pursuant to Section 2(c) 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 to notify the Company as promptly as practicable of any inaccuracy or change in information previously furnished by such Notice Holder to the Company or of the occurrence of any event in either case as a result of which any Prospectus relating to such registration contains or would contain an untrue statement of a material fact regarding such Notice Holder or such Notice Holder's intended method of disposition of such Registrable Securities or omits to state any material fact regarding such Notice Holder or such Notice Holder's intended method of disposition of such Registrable Securities required to be stated therein or necessary to make the statements therein not misleading, and promptly to furnish to the Company (i) any additional information required to correct and update any previously furnished information or required so that such Prospectus shall not contain, with respect to such Notice Holder or the disposition of such Registrable Securities, an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading and (ii) any other information regarding such Notice Holder and the distribution of such Registrable Securities as may be required to be disclosed in the Shelf Registration Statement under applicable law or pursuant to Commission comments. Each Holder further agrees not to sell any Registrable Securities pursuant to the Shelf Registration Statement without delivering, causing to be delivered, or, if permitted by applicable law, making available, a Prospectus to the purchaser thereof and, following termination of the Effective Period, to notify the Company, within 10 Business Days of a request by the Company, of the amount of Registrable Securities sold pursuant to the Shelf Registration Statement and, in the absence of a response, the Company may assume that all of the Holder's Registrable Securities were so sold.

(b) 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 to make the statements in such Prospectus, in the light of the circumstances under which they were made, not misleading. Each Holder further agrees that such Holder will not make any offer relating to the Registrable Securities that would constitute an "issuer free writing prospectus" (as defined in Rule 433 under the Securities Act) or that would otherwise constitute a "free writing prospectus" (as defined in Rule 405 under the Securities Act) required to be filed by the Company with the Commission or

retained by the Company under Rule 433 of the Securities Act, unless it has obtained the prior written consent of the Company.

5. Registration Expenses.

The Company agrees to bear and to pay or cause to be paid all fees and expenses incident to the Company's performance of or compliance with this Agreement, including, but not limited to, (a) all Commission and any NASD registration and filing fees and expenses, (b) all fees and expenses in connection with the qualification of the Securities for offering and sale under the State securities and Blue Sky laws referred to in Section 3(a)(v) hereof, including reasonable fees and disbursements of one counsel for the placement agent, if any, in connection with such qualifications, (c) all expenses relating to the preparation, printing, distribution and reproduction of the Shelf Registration Statement, the related Prospectus, each amendment or supplement to each of the foregoing, the certificates representing the Securities and all other documents relating hereto, (d) fees and expenses of the Trustee under the Indenture, any escrow agent or custodian, and of the registrar and transfer agent for the Shares, (e) fees, disbursements and expenses of counsel and independent certified public accountants of the Company (including the expenses of any opinions or "cold comfort" letters required by or incident to such performance and compliance) and (f) reasonable fees, disbursements and expenses of one counsel for the Holders of Registrable Securities retained in connection with the Shelf Registration Statement, as selected by the Company (unless reasonably objected to by the Majority Holders of the Registrable Securities being registered, in which case the Majority Holders shall select such counsel for the Holders) ("Special Counsel"), and fees, expenses and disbursements of any other Persons, including special experts, retained by the Company in connection with such registration (collectively, the "Registration Expenses"). To the extent that any Registration Expenses are incurred, assumed or paid by any Holder of Registrable Securities or any underwriter or placement agent therefor, the Company shall reimburse such Person for the full amount of the Registration Expenses so incurred, assumed or paid promptly after receipt of a documented request therefor. Notwithstanding the foregoing, the Holders of the Registrable Securities being registered shall pay all underwriting discounts and commissions and placement agent fees and brokers' and other commissions attributable to the sale of such Registrable Securities and the fees and disbursements of any counsel or other advisors or experts retained by such Holders (severally or jointly), other than the counsel and experts specifically referred to above.

6. Indemnification.

(a) The Company shall indemnify and hold harmless each Notice Holder (including, without limitation, any such Initial Purchaser), its affiliates, their respective officers, directors, employees, representatives and agents, and each person, if any, who controls such Notice Holder within the meaning of the Securities Act or the Exchange Act (collectively referred to for purposes of this Section 6 and Section 7 as an Indemnified Holder) from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof (including, without limitation, any loss, claim,

damage, liability or action relating to purchases and sales of Securities), to which that Indemnified Holder may become subject, whether commenced or threatened, under the Securities Act, the Exchange Act, any other federal or state statutory law or regulation, at common law or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in any such Shelf Registration Statement or any Prospectus forming part thereof, or (ii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and shall reimburse each Indemnified Holder promptly upon demand for any legal or other expenses reasonably incurred by that Indemnified Holder in connection with investigating or defending or preparing to defend against or appearing as a third party witness in connection with any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, an untrue statement or alleged untrue statement in or omission or alleged omission from any of such documents in reliance upon and in conformity with any information provided by such Indemnified Holder in writing to the Company expressly for use therein. This indemnity agreement shall be in addition to any liability that the Company may otherwise have.

(b) Each Notice Holder shall indemnify and hold harmless the Company, its officers, directors, employees, representatives and agents, and each person, if any, who controls the Company within the meaning of the Securities Act or the Exchange Act (collectively referred to for purposes of this Section 6(b) and Section 7 as the Company), from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof, to which the Company may become subject, whether commenced or threatened, under the Securities Act, the Exchange Act, any other federal or state statutory law or regulation, at common law or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in any such Shelf Registration Statement or any Prospectus forming part thereof, or (ii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, but in each case only to the extent that the untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with any information furnished to the Company in writing by such Notice Holder expressly for use therein, and shall reimburse the Company for any legal or other expenses reasonably incurred by the Company in connection with investigating or defending or preparing to defend against or appearing as a third party witness in connection with any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that no such Notice Holder shall be liable for any indemnity claims hereunder in excess of the amount of net proceeds received by such Notice Holder from the sale of Securities pursuant to such Shelf Registration Statement. This indemnity

agreement will be in addition to any liability which any such Notice Holder may otherwise have.

(c) Promptly after receipt by an indemnified party under this Section 6 of notice of any claim or the commencement of any action, the indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party pursuant to Section 6(a) or 6(b), notify the indemnifying party in writing of the claim or the commencement of that action; provided, however, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have under this Section 6 except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and provided, further, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have to an indemnified party otherwise than under this Section 6. If any such claim or action shall be brought against an indemnified party, and it shall notify the indemnifying party thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it wishes, jointly with any other similarly notified indemnifying party, to assume the defense thereof with counsel reasonably satisfactory to the indemnified party. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim or action, the indemnifying party shall not be liable to the indemnified party under this Section 6 for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof other than the reasonable costs of investigation; provided, however, that an indemnified party shall have the right to employ its own counsel in any such action, but the fees, expenses and other charges of such counsel for the indemnified party will be at the expense of such indemnified party unless (1) the employment of counsel by the indemnified party has been authorized in writing by the indemnifying party, (2) the indemnified party has reasonably concluded (based upon advice of counsel to the indemnified party) that there may be legal defenses available to it or other indemnified parties that are different from or in addition to those available to the indemnifying party, (3) a conflict or potential conflict exists (based upon advice of counsel to the indemnified party) between the indemnified party and the indemnifying party (in which case the indemnifying party will not have the right to direct the defense of such action on behalf of the indemnified party) or (4) the indemnifying party has not in fact employed counsel reasonably satisfactory to the indemnified party to assume the defense of such action within a reasonable time after receiving notice of the commencement of the action, in each of which cases the reasonable fees, disbursements and other charges of counsel will be at the expense of the indemnifying party or parties. It is understood that the indemnifying party or parties shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonable fees, disbursements and other charges of more than one separate firm of attorneys (in addition to any local counsel) at any one time for all such indemnified party or parties. Each indemnified party, as a condition of the indemnity agreements contained in Sections 6(a) and 6(b), shall use all reasonable efforts to cooperate with the indemnifying party in the defense of any such action or claim. No

indemnifying party shall be liable for any settlement of any such action effected without its written consent (which consent shall not be unreasonably withheld), but if settled with its written consent or if there be a final judgment for the plaintiff in any such action, the indemnifying party agrees to indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by this section, the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by such indemnifying party of a request in writing setting forth proposed settlement terms from the indemnified party and (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with the aforesaid request prior to the date of such settlement. No indemnifying party shall, without the prior written consent of the indemnified party (which consent shall not be unreasonably withheld), effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement (i) includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding and (ii) does not include a statement or admission of fault, culpability or a failure to act, by or on behalf of the indemnified party.

(d) The provisions of this Section 6 and Section 7 shall remain in full force and effect, regardless of any investigation made by or on behalf of any Notice Holder, the Company, or any of the indemnified Persons referred to in this Section 6 and Section 7, and shall survive the sale by a Notice Holder of Securities covered by the Shelf Registration Statement.

7. Contribution.

If the indemnification provided for in Section 6 is unavailable or insufficient to hold harmless an indemnified party under Section 6(a) or 6(b), then each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability, or action in respect thereof, (i) in such proportion as shall be appropriate to reflect the relative benefits received by the Company from the offering and sale of the Notes, on the one hand, and a Holder with respect to the sale by such Notice Holder of Securities, on the other, 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 such Notice Holder on the other with respect to the statements or omissions that resulted in such loss, claim, damage or liability, or action in respect thereof, as well as any other relevant equitable considerations. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material

fact or the omission or alleged omission to state a material fact relates to the Company or information supplied by the Company on the one hand or to any information contained in the relevant Notice and Questionnaire supplied by such Notice Holder on the other, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The Notice Holders' respective obligations to contribute pursuant to this Section 7 are several in proportion to the respective number of Registrable Securities they have sold pursuant to the Shelf Registration Statement and not joint.

The parties hereto agree that it would not be just and equitable if contributions pursuant to this Section 7 were to be determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to herein. The amount paid or payable by an indemnified party as a result of the loss, claim, damage or liability, or action in respect thereof, referred to above in this Section 7 shall be deemed to include, for purposes of this Section 7, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending or preparing to defend any such action or claim. Notwithstanding the provisions of this Section 7, an indemnifying party that is a Holder of Securities shall not be required to contribute any amount in excess of the amount by which the total price at which the Securities sold by such indemnifying party to any purchaser exceeds the amount of any damages which such indemnifying party has otherwise paid or become liable to pay by reason of any 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 Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

8. Information Requirements.

The Company covenants that, if at any time before the end of the Effective Period the Company is not subject to the reporting requirements of the Exchange Act, it will cooperate with any Holder and take such further action as any Holder 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 Securities Act within the limitation of the exemptions provided by Rule 144 and Rule 144A under the Securities 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 it has complied with such filing requirements, unless such a statement has been included in the Company's most recent report filed pursuant to Section 13 or Section 15(d) of Exchange Act. Notwithstanding the foregoing, nothing in this Section 8 shall be deemed to require the Company to register any of its securities under any section of the Exchange Act.

9. Miscellaneous.

(a) Amendments and Waivers. The provisions of this Agreement 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 Majority 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 whose Registrable Securities are being sold pursuant to the Shelf Registration Statement and that does not directly or indirectly affect the rights of other Holders may be given by Holders of a majority in aggregate amount of the Registrable Securities being sold by such Holders pursuant to the Shelf Registration Statement. Notwithstanding the foregoing sentence, (i) this Agreement may be amended by written agreement signed by the Company and the Initial Purchasers, without the consent of the Holders of Registrable Securities, to cure any ambiguity or to correct or supplement any provision contained herein that may be defective or inconsistent with any other provision contained herein, or to make such other provisions in regard to matters or questions arising under this Agreement that shall not adversely affect the interests of the Holders of Registrable Securities. 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 8(a), 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.

(b) Notices. All notices and other communications provided for or permitted hereunder shall be made in writing by hand-delivery, first-class mail, telecopier or air courier guaranteeing next-day delivery:

(1) If to the Company, initially at the address set forth in the Purchase Agreement;

(2) If to the Initial Purchasers, initially at their respective addresses set forth in the Purchase Agreement; and

(3) If to a Holder, to the address of such Holder set forth in the security register, the Notice and Questionnaire or other records of the Company.

All such notices and communications shall be deemed to have been duly given: when delivered by hand, if personally delivered; one business day after being delivered to a next-day air courier; five business days after being deposited in the mail, if being delivered by first-class mail; and when receipt is acknowledged by the recipient's telecopier machine, if sent by telecopier.

(c) Successors And Assigns. Any person who purchases any Registrable Securities from the Initial Purchasers shall be deemed, for purposes of this Agreement, to be an

assignee of the Initial Purchasers. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties and shall inure to the benefit of and be binding upon each Holder of any Registrable Securities, provided that nothing herein shall be deemed to permit any assignment, transfer or other disposition of Registrable Securities in violation of the terms of the Indenture. If any transferee of any Holder shall acquire Registrable Securities, in any manner, whether by operation of law or otherwise, such Registrable Securities shall be held subject to all of the terms of this Agreement, and by taking and holding such Registrable Securities, such person shall be conclusively deemed to have agreed to be bound by and to perform all of the terms and provisions of this Agreement and such person shall be entitled to receive the benefits hereof.

(d) Counterparts. This Agreement may be executed in any number of counterparts (which may be delivered in original form or by telecopier) and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(e) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(f) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

(g) Remedies. In the event of a breach by the Company or by any Holder of any of their respective obligations under this Agreement, each Holder or the Company, as the case may be, in addition to being entitled to exercise all rights granted by law, including recovery of damages (other than the recovery of damages for a breach by the Company of its obligations under Section 2 hereof for which Additional Interest have been paid pursuant to Section 3 hereof), will be entitled to specific performance of its rights under this Agreement. The Company and each Holder agree that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of any of the provisions of this Agreement and hereby further agree that, in the event of any action for specific performance in respect of such breach, it shall waive the defense that a remedy at law would be adequate.

(h) No Inconsistent Agreements. The Company represents, warrants and agrees that it has not entered into, and shall not on or after the date of this Agreement enter into, any agreement that is inconsistent with the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof.

(i) Severability. The remedies provided herein are cumulative and not exclusive of any remedies provided by law. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction 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, and the parties hereto shall use their 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 is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any term, provision, covenant or restriction that may be hereafter declared invalid, illegal, void or unenforceable.

(j) Survival. The respective indemnities, agreements, representations, warranties and each other provision set forth in this Agreement or made pursuant hereto shall remain in full force and effect regardless of any investigation (or statement as to the results thereof) made by or on behalf of any Holder of Registrable Securities, any director, officer or partner of such Holder, any agent or underwriter or any director, officer or partner thereof, or any controlling person of any of the foregoing, and shall survive delivery of and payment for the Registrable Securities pursuant to the Purchase Agreement and the transfer and registration of Registrable Securities by such Holder.

(k) Securities Held by the Company, etc. Whenever the consent or approval of Holders of a specified percentage of Registrable Securities is required hereunder, such Securities held by the Company or its affiliates (other than subsequent Holders of Securities if such subsequent Holders are deemed to be affiliates solely by reason of their holdings of such Securities) shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage.

(l) Termination. This Agreement and the obligations of the parties hereunder shall terminate upon the end of the Effective Period, except for any liabilities or obligations under Sections 3(e), 3(h), 4, 5, 6 and 7 hereof and the obligations to make payments of and provide for Additional Interest under Section 2(d) hereof to the extent such damages accrue prior to the end of the Effective Period, each of which shall remain in effect in accordance with its terms.

If the foregoing is in accordance with your understanding of our agreement, kindly sign and return to us a counterpart hereof, whereupon this instrument will become a binding agreement among the Company and the several Initial Purchasers in accordance with its terms.

Very truly yours,

ALBANY INTERNATIONAL CORP.

By: /s/ Christopher J. Connally

Name: Christopher J. Connally
Title: Corporate Treasurer

Accepted: March 13, 2006

By: J.P. MORGAN SECURITIES INC.

By: /s/ Paul J. Donnally

Authorized Signatory

By: BANC OF AMERICA SECURITIES LLC

By: /s/ Harris Winters

Authorized Signatory

Exhibit 10.1

Bank of America [LOGO]

EQUITY FINANCIAL PRODUCTS GROUP

Bank of America, N.A.
c/o Banc of America Securities LLC
9 West 57th Street, 40th Floor
New York, NY 10019

March 7, 2006

To: Albany International Corp.
1373 Broadway
Albany, New York 12204
Attention: Christopher J. Connally, Corporate Treasurer
Telephone No.: (518) 445-2235
Facsimile No.: (518) 447-6305

Re: Call Option Transaction
Ref. No.: NY-21551

The purpose of this letter agreement is to confirm the terms and conditions of the Transaction entered into between Bank of America, N.A. ("BofA"), and Albany International Corp., a Delaware corporation (the "Counterparty"), on the Trade Date specified below (the "Transaction"). This letter agreement constitutes a "Confirmation" as referred to in the ISDA Master Agreement specified below. This Confirmation shall replace any previous agreements and serve as the final documentation for this Transaction.

The definitions and provisions contained in the 1996 ISDA Equity Derivatives Definitions (the "Equity Definitions"), as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Confirmation. In the event of any inconsistency between the Equity Definitions and this Confirmation, this Confirmation shall govern. Certain defined terms used herein have the meanings assigned to them in the Offering Memorandum dated March 7, 2006 (the "Offering Memorandum") relating to the USD 150,000,000 principal amount of 2.25% Convertible Senior Notes due 2026, (the "Convertible Notes" and each USD 1,000 principal amount of Convertible Notes, a "Convertible Note") issued by the Counterparty pursuant to an Indenture to be dated on or about March 13, 2006 between the Counterparty and JPMorgan Chase Bank, N.A., as trustee (the "Indenture"). In the event of any inconsistency between the terms defined in the Offering Memorandum and this Confirmation, this Confirmation shall govern.

Each party is hereby advised, and each such party acknowledges, that the other party has engaged in, or refrained from engaging in, substantial financial transactions and has taken other material actions in reliance upon the parties' entry into the Transaction to which this Confirmation relates on the terms and conditions set forth below.

1. This Confirmation evidences a complete and binding agreement between BofA and the Counterparty as to the terms of the Transaction to which this Confirmation relates. This Confirmation shall supplement, form a part of, and be subject to an agreement in the form of the 2002 ISDA Master Agreement (the "Agreement") as if BofA and the Counterparty had executed an agreement in such form (but without any Schedule except for the election of the laws of the State of New York as the governing law) on the Trade Date. In the event of any inconsistency between provisions of that Agreement and this Confirmation, this Confirmation will prevail for the purpose of the Transaction to which this Confirmation relates. The parties hereby agree that no Transaction other than the Transaction to which this Confirmation relates shall be governed by the Agreement.

2. The terms of the particular Transaction to which this Confirmation relates are as follows:

General Terms:

Trade Date:	March 7, 2006
Option Style:	"Modified American", as described under "Exercise and Valuation" below
Option Type:	Call
Buyer:	Counterparty
Seller:	BofA
Shares:	The Class A common stock of the Counterparty, par value USD 0.001 per Share (Exchange symbol "AIN")

Number of Options:	60,000
Option Entitlement:	As of any date, a number equal to the Conversion Rate as of such date (as defined in the Indenture, but without regard to any adjustments to the Conversion Rate pursuant to Section 15.04(i), Section 15.03(a) or Section 15.03(d) of the Indenture), for each Convertible Note.
Strike Price:	USD 44.52
Premium:	USD 15,939,541.64
Premium Payment Date:	March 13, 2006
Exchange:	The New York Stock Exchange
Related Exchange(s):	None

Exercise and Valuation:

Exercise Period(s):	Notwithstanding the Equity Definitions, in respect of Exercisable Options relating to Convertible Notes with a particular Conversion Date (each as defined below), the Exercise Period shall be the period commencing on and including the Conversion Date for the Convertible Notes corresponding to such Exercisable Options and ending at 7:30 a.m. New York City time on the first day of the relevant Cash Settlement Averaging Period; provided that if the Counterparty has validly designated March 15, 2013 as a redemption date for the Convertible Notes pursuant to the terms of the Indenture, there shall be a single Exercise Period for Exercisable Options relating to the Convertible

	Notes with a Conversion Date following the day on which the Counterparty gives notice of such redemption and that Exercise Period shall terminate at 7:30 a.m. New York City time on the redemption date; provided further that if the Counterparty has not validly designated March 15, 2013 as a redemption date for the Convertible Notes pursuant to the terms of the Indenture, Conversion Dates occurring after the date that is twenty-seven (27) Scheduled Trading Days prior to March 15, 2013 shall not result in the commencement of an Exercise Period and no Exercisable Options will be exercised or deemed exercised in respect thereof. "Scheduled Trading Day" means any day on which the Exchange is scheduled to be open for trading for its regular trading session.
Exercisable Options:	In respect of any date on which a holder of Convertible Notes properly surrenders, or is deemed to surrender, to the Counterparty a Convertible Note for conversion (a "Conversion Date"), a number of Options equal to 40% of the number of Convertible Notes properly surrendered, or deemed surrendered, for conversion on such Conversion Date (which, for the avoidance of doubt, may be rounded up or down by the Company to account for any conversions which may result in fractional Exercisable Options and may not exceed the Number of Options).
Expiration Date:	For any Exercisable Option, the earlier of (i) the final day of the Exercise Period for such Exercisable Option, and (ii) the Final Expiration Date.
Final Expiration Date:	March 15, 2013
Multiple Exercise:	Applicable, as described under Exercisable Options above.
Automatic Exercise:	Applicable, subject to the provisions of "Notice of Exercise" below.
Notice of Exercise:	Notwithstanding anything to the contrary in the Equity Definitions, in order to exercise any Exercisable Option, the Counterparty must notify BofA, which notification shall be irrevocable after 7:30 a.m. New York City time on the first day of the relevant Cash Settlement Averaging Period and shall not be subject to subsequent amendments, in writing or orally (and, if such Notice of Exercise is delivered by the Counterparty after the close of business in New York City on the Scheduled Trading Day immediately preceding the Expiration Date, via e-mail to: dg.efp_doc_group@bofasecurities.com), by 7:30 a.m. New York City time on the first day of the

relevant Cash Settlement Averaging Period for such Exercisable Option of (i) the number of Convertible Notes properly submitted for conversion on the relevant Conversion Date and the number of Exercisable Options corresponding to such Convertible Notes, (ii) the first day of the applicable Cash Settlement Averaging Period and (iii) the scheduled Settlement Date; provided that if the Counterparty has validly designated March 15, 2013 as a redemption date for the Convertible Notes pursuant to the terms of the Indenture, such notice may be given on or prior to the Expiration Date for such Exercisable Options and need only specify the number of Convertible Notes submitted for conversion during the final Exercise Period and the number of Exercisable Options corresponding to such Convertible Notes.

Exchange Business Day: Section 1.20 of the Equity Definitions is hereby replaced in its entirety by the following:

"'Exchange Business Day' means a day during which (i) trading in the Shares generally occurs and (ii) there is no Market Disruption Event and (iii) the Last Reported Sale Price (as defined in the Indenture) for the Shares is available for such day."

Market Disruption Event: Section 4.3(a) of the Equity Definitions is hereby replaced in its entirety by the following:

"'Market Disruption Event' means, in respect of the Shares, (i) a failure by the Exchange to open for trading during its regular trading session or (ii) the occurrence or existence prior to 1:00 p.m. New York City time on any Exchange Business Day for the Shares for an aggregate one half-hour period of any suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the Exchange or otherwise) in the Shares or in any options, contracts or future contracts relating to the Shares."

Settlement Terms:

Settlement Method: Net Share Settlement

Net Share Settlement: For each Exercisable Option that is exercised or deemed exercised, BofA will deliver to the Counterparty, on the related Settlement Date, a number of Shares equal to the Net Shares in respect of such Exercisable Option. In no event will the Net Shares be less than zero.

Net Shares: In respect of each Exercisable Option exercised or deemed exercised, a number of Shares equal to (i) the

	Option Entitlement multiplied by (ii) the sum, for each Exchange Business Day during the relevant Cash Settlement Averaging Period, of (A) the Relevant Price on such Exchange Business Day, less the Strike Price, divided by (B) the Relevant Price on such Exchange Business Day, divided by (iii) twenty-five (25); provided, however, that if the calculation contained in clause (A) above results in a negative number, such number shall be replaced with the number "zero". BofA will deliver cash in lieu of any fractional Share with respect to any Net Shares to be delivered with respect to all Exercisable Options having the same Settlement Date based on the Last Reported Sale Price (as defined in the Indenture) for the Shares on the final Exchange Business Day of the relevant Cash Settlement Averaging Period.
Relevant Price:	For each Exchange Business Day during a Cash Settlement Averaging Period, the per Share volume-weighted average price for such day as displayed under the heading "Bloomberg VWAP" on Bloomberg page AIN [equity] AQR (or any successor thereto) in respect of the period from 9:30 a.m. to 4:00 p.m. (New York City time) on such Exchange Business Day (or if such volume-weighted average price is unavailable, the market value of one Share on such Exchange Business Day, as determined by the Calculation Agent, using a volume-weighted method).
Cash Settlement Averaging Period:	For each Exercisable Option, the twenty-five (25) consecutive Exchange Business Days commencing on and including the second Exchange Business Day following the Conversion Date for the Convertible Note relating to such Exercisable Option; provided that if the Counterparty has validly designated March 15, 2013 as a redemption date for the Convertible Notes pursuant to the terms of the Indenture, the Cash Settlement Averaging Period for any Exercisable Options relating to the Convertible Notes with a Conversion Date following the date on which the Counterparty gives notice of such redemption, the twenty-five (25) consecutive Exchange Business Days commencing on and including the twenty-eighth (28th) Scheduled Trading Day preceding such redemption date.
Settlement Date:	For each Exercisable Option, the settlement date for Shares to be delivered with respect to the related Convertible Notes under the terms of the Indenture.
Other Applicable Provisions:	The provisions of Sections 6.6, 6.7, 6.8, 6.9 and 6.10 of the Equity Definitions will be applicable, except that all

references in such provisions to "Physically-Settled" shall be read as references to "Net Share Settled". "Net Share Settled" in relation to any Option means that Net Share Settlement is applicable to that Option.

Failure to Deliver: Applicable

3. Additional Terms applicable to the Transaction:

Adjustments applicable to the Transaction:

Potential Adjustment Events: Notwithstanding Section 9.1(e) of the Equity Definitions, a "Potential Adjustment Event" means any occurrence of any event or condition, as set forth in Section 15.04 of the Indenture resulting in an adjustment to the Conversion Rate of the Convertible Notes, excluding adjustments or conditions that result from an adjustment to the Conversion Rate pursuant to Section 15.04(i) or Section 15.03(a) of the Indenture.

Method of Adjustment: Calculation Agent Adjustment, and means that, notwithstanding Section 9.1(c) of the Equity Definitions, upon any adjustment to the Conversion Rate of the Convertible Notes pursuant to the Indenture (other than Section 15.04(i) and Section 15.03(a) of the Indenture) and an equivalent adjustment to the Option Entitlement hereunder, the Calculation Agent, in order to reflect the effect of the event or condition relating to such adjustment on this Transaction, will make a corresponding adjustment to any one or more of the Strike Price, Number of Options and any other variable relevant to the exercise, settlement or payment for the Transaction.

Extraordinary Events applicable to the Transaction:

Merger Events: Notwithstanding Section 9.2(a) of the Equity Definitions, a "Merger Event" means the occurrence of any event or condition set forth in Section 15.06 of the Indenture.

Consequence of Merger Events: Notwithstanding Section 9.3 of the Equity Definitions, upon the occurrence of a Merger Event, the Calculation Agent shall make a corresponding adjustment in respect of any adjustment under the Indenture to any one or more of the nature of the Shares, Strike Price, Number of Options, Option Entitlement and any other variable relevant to the exercise, settlement or payment for the Transaction; provided, however, that such adjustment (i) shall be made without regard to any adjustment to the Conversion Rate for the issuance of additional shares as set forth in Section 15.03(a) of the Indenture, and (ii) shall assume that, in the case of a "Public Acquirer Change of Control" (as defined

in the Indenture), the Counterparty does not make an election provided in Section 15.03(d) of the Indenture.

Additional Termination Events: If an event of default with respect to the Counterparty shall occur under the terms of the Convertible Notes as set forth in Section 7.01 of the Indenture and such event of default results in the declaration of principal and interest immediately due and payable pursuant to the terms of the Indenture, such event shall constitute an Additional Termination Event applicable to this Transaction, with respect to which the Counterparty shall be deemed to be the sole Affected Party and this Transaction shall be the sole Affected Transaction; provided that, notwithstanding Section 6(b)(iv)(1) of the Agreement, BofA will be required, if the Counterparty makes itself promptly available upon request, to consult with the Counterparty and to reasonably consider whether it is advisable to designate an Early Termination Date pursuant to Section 6(b) of the Agreement.

Whenever the Counterparty is required to deliver to the Trustee an officer's certificate with respect to a default or an event of default pursuant to Section 5.08 of the Indenture, the Counterparty shall also be required to deliver a copy of such certificate to BofA hereunder.

4. Calculation Agent: BofA. Whenever the Calculation Agent is required to act or to exercise judgment in any way, it will do so in good faith and in a commercially reasonable manner to achieve a commercially reasonable result.

The Calculation Agent shall, not later than the third Currency Business Day following receipt of a written request of the Counterparty, provide the Counterparty with a written explanation of the basis of any determination, adjustment or calculation made hereunder; provided that if, after reviewing such written explanation, the Counterparty objects to such determination, adjustment or calculation, then the Counterparty, BofA and the Calculation Agent shall make reasonable good faith efforts to agree upon an appropriate determination, adjustment or calculation.

5. Account Details:

(a) Account for payments from the Counterparty:

JPMorgan, New York
ABA: 021-000-021
Acct: CHASUS33
Acct No.: 910-1010-693

Account for delivery of Shares to the Counterparty:

DTC 50108 (Computershare)

Note: the shares cannot be sent electronically. They must be DWACed.

(b) Account for payments to BofA:

Bank of America, N.A.
San Francisco, CA
SWIFT: BOFAUS65
Bank Routing: 121-000-358
Account Name: Bank of America
Account No.: 12333-34172

Account for delivery of Shares from BofA:

DTC 0733
Acct Name: Bank of America NA
Acct #: 116-0077

6. Offices:

The Office of the Counterparty for the Transaction is: Inapplicable, the Counterparty is not a Multibranch Party.

The Office of BofA for the Transaction is: New York

Bank of America, N.A.
c/o Banc of America Securities LLC
9 West 57th Street, 40th Floor
New York, NY 10019

7. Notices: For purposes of this Confirmation:

(a) Address for notices or communications to the Counterparty:

Albany International Corp. 1373 Broadway
Albany, New York 12204
Attention: Christopher J. Connally
Telephone No.: (518) 445-2235
Facsimile No.: (518) 447-6305

With a copy to:

Albany International Corp.
1373 Broadway
Albany, New York 12204
Attention: Charles J. Silva, Jr.
Telephone No.: (518) 445-2277
Facsimile No.: (518) 447-6575

(b) Address for notices or communications to BofA:

Bank of America, N.A.
c/o Banc of America Securities LLC
Equity Financial Products

Attention: Legal Department
9 West 57th
Street, 40th Floor
New York, NY 10019
Facsimile No.: (212) 326-8610

8. Representations and Warranties of the Counterparty

The representations and warranties of the Counterparty set forth in Section 4 of the Purchase Agreement (the "Purchase Agreement") dated as of the Trade Date between the Counterparty and J.P. Morgan Securities Inc. and Banc of America Securities LLC, as Initial Purchasers, are true and correct and are hereby deemed to be repeated to BofA as if set forth herein. The Counterparty hereby further represents and warrants to BofA that:

(a) The Counterparty has all necessary corporate power and authority to execute, deliver and perform its obligations in respect of this Transaction; such execution, delivery and performance have been duly authorized by all necessary corporate action on the Counterparty's part; and this Confirmation has been duly and validly executed and delivered by the Counterparty and constitutes its valid and binding obligation, enforceable against the Counterparty in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity) and except that rights to indemnification and contribution hereunder may be limited by federal or state securities laws or public policy relating thereto.

(b) Neither the execution and delivery of this Confirmation nor the incurrence or performance of obligations of the Counterparty hereunder will conflict with or result in a breach of the certificate of incorporation or by-laws (or any equivalent documents) of the Counterparty, or any applicable law or regulation, or any order, writ, injunction or decree of any court or governmental authority or agency, or any agreement or instrument to which the Counterparty or any of its Significant Subsidiaries is a party or by which the Counterparty or any of its Significant Subsidiaries is bound or to which the Counterparty or any of its Significant Subsidiaries is subject, or constitute a default under, or result in the creation of any lien under, any such agreement or instrument, or breach or constitute a default under any agreements and contracts of the Counterparty and its Significant Subsidiaries filed as exhibits to the Counterparty's Annual Report on Form 10-K for the year ended December 31, 2004, incorporated by reference in the Offering Memorandum.

(c) No consent, approval, authorization, or order of, or filing with, any governmental agency or body or any court is required in connection with the execution, delivery or performance by the Counterparty of this Confirmation, except such as have been obtained or made and such as may be required under the Securities Act of 1933, as amended (the "Securities Act") or state securities laws.

(d) The Counterparty is an "eligible contract participant" (as such term is defined in Section 1a(12) of the Commodity Exchange Act, as amended (the "CEA") because one or more of the following is true:

The Counterparty is a corporation, partnership, proprietorship, organization, trust or other entity and:

(A) the Counterparty has total assets in excess of USD 10,000,000;

(B) the obligations of the Counterparty hereunder are guaranteed, or otherwise supported by a letter of credit or keepwell, support or other agreement, by an entity of the type described in Section 1a(12)(A)(i) through (iv), 1a(12)(A)(v)(I), 1a(12)(A)(vii) or 1a(12)(C) of the CEA; or

(C) the Counterparty has a net worth in excess of USD 1,000,000 and has entered into this Agreement in connection with the conduct of Counterparty's business or to manage the risk associated with an asset or liability owned or incurred or reasonably likely to be owned or incurred by the Counterparty in the conduct of the Counterparty's business.

(e) The Counterparty is not, on the date hereof, in possession of any material non-public information with respect to the Counterparty.

9. Other Provisions:

(a) Opinions. The Counterparty shall deliver to BofA an opinion of counsel, dated as of the Trade Date, substantially in the form set forth in Exhibit A hereto.

(b) Amendment. If the Initial Purchasers party to the Purchase Agreement exercise their right to purchase additional Convertible Notes as set forth therein, then, at the discretion of the Counterparty, BofA and the Counterparty will amend this Confirmation to provide for such increase in Convertible Notes (but on pricing terms acceptable to BofA and the Counterparty) (such amendment to provide for the payment by the Counterparty to BofA of the additional premium related thereto).

(c) No Reliance, etc. Each party represents that (i) it is entering into the Transaction evidenced hereby as principal (and not as agent or in any other capacity); (ii) neither the other party nor any of its agents are acting as a fiduciary for it; (iii) it is not relying upon any representations except those expressly set forth in the Agreement or this Confirmation; (iv) it has not relied on the other party for any legal, regulatory, tax, business, investment, financial, and accounting advice, and it has made its own investment, hedging, and trading decisions based upon its own judgment and not upon any view expressed by the other party or any of its agents; and (v) it is entering into this Transaction with a full understanding of the terms, conditions and risks thereof and it is capable of and willing to assume those risks.

(d) Share De-listing Event. If at any time during the period from and including the Trade Date, to and including the Final Expiration Date, the Shares cease to be listed or quoted on the Exchange for any reason (other than a Merger Event as a result of which the shares of common stock underlying the Options are listed or quoted on The New York Stock Exchange, The American Stock Exchange or the NASDAQ National Market (or their respective successors) (the "Successor Exchange")) and are not immediately re-listed or quoted as of the date of such de-listing on the Successor Exchange (a "Share De-listing"), then Cancellation and Payment (as defined in Section 9.6 of the Equity Definitions, treating the "Announcement Date" as the date of first public announcement that the Share De-listing, will occur and the "Merger Date" as the date of the Share De-listing) shall apply, and the date of the de-listing shall be deemed the date of termination for purposes of calculating any payment due from one party to the other in connection with the cancellation of this Transaction. If the Shares are immediately re-listed on a

Successor Exchange upon their de-listing from the Exchange, this Transaction shall continue in full force and effect, provided that the Successor Exchange shall be deemed to be the Exchange for all purposes hereunder; provided that the Calculation Agent may make appropriate adjustments to the terms of this Transaction to reflect the effect of such re-listing. For the avoidance of doubt, in no event will a Share De-listing result in an obligation of the Counterparty under this Confirmation to make a payment to BofA.

(e) Repurchase Notices. The Counterparty shall, on any day on which the Counterparty effects any repurchase of Shares, promptly give BofA a written notice of such repurchase (a "Repurchase Notice") on such day if following such repurchase, the number of outstanding Shares on such day, subject to any adjustments provided herein, is (i) less than 25 million (in the case of the first such notice) or (ii) thereafter, more than 125,000 less than the number of Shares included in the immediately preceding Repurchase Notice. The Counterparty agrees to indemnify and hold harmless BofA and its affiliates and their respective officers, directors, employees, affiliates, advisors, agents and controlling persons (each, an "Indemnified Person") from and against any and all losses (including losses relating to BofA's reasonable hedging activities as a consequence of becoming, or of the risk of becoming, a Section 16 "insider", including without limitation, any forbearance from reasonable hedging activities or cessation of such hedging activities and any losses in connection therewith with respect to this Transaction), claims, damages, judgments, liabilities and expenses (including reasonable attorney's fees), joint or several, which an Indemnified Person actually may become subject to, as a result of the Counterparty's failure to provide BofA with a Repurchase Notice on the day and in the manner specified in this Section 9(e), and to reimburse, within 30 days, upon written request, each of such Indemnified Persons for any reasonable legal or other expenses incurred in connection with investigating, preparing for, providing testimony or other evidence in connection with or defending any of the foregoing. If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against the Indemnified Person, such Indemnified Person shall promptly notify the Counterparty in writing, and the Counterparty, upon request of the Indemnified Person, shall retain counsel reasonably satisfactory to the Indemnified Person to represent the Indemnified Person and any others the Counterparty may designate in such proceeding and shall pay the fees and expenses of such counsel related to such proceeding. The Counterparty shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Counterparty agrees to indemnify any Indemnified Person from and against any loss or liability by reason of such settlement or judgment. The Counterparty shall not, without the prior written consent of the Indemnified Person, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is or could have been a party and indemnity could have been sought hereunder by such Indemnified Person, unless such settlement includes an unconditional release of such Indemnified Person from all liability on claims that are the subject matter of such proceeding on terms reasonably satisfactory to such Indemnified Person. If the indemnification provided for in this paragraph (e) is unavailable to an Indemnified Person or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then the Counterparty under such paragraph, in lieu of indemnifying such Indemnified Person thereunder, shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages or liabilities. The remedies provided for in this paragraph (e) are not exclusive and shall not limit any rights or remedies which may otherwise be available to any Indemnified Person at law or in equity. The indemnity and contribution agreements contained in this

paragraph (e) shall remain operative and in full force and effect regardless of the termination of this Transaction.

(f) Regulation M. The Counterparty was not on the Trade Date and is not on the date hereof engaged in a distribution, as such term is used in Regulation M under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), of any securities of the Counterparty, other than a distribution meeting the requirements of the exception set forth in Rules 101(b)(10) and 102(b)(7) of Regulation M. The Counterparty shall not, until the second Exchange Business Day immediately following the Trade Date, engage in any such distribution.

(g) No Manipulation. The Counterparty is not entering into this Transaction to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for the Shares) or to raise or depress or otherwise manipulate the price of the Shares (or any security convertible into or exchangeable for the Shares).

(h) Number of Repurchased Shares. The Counterparty represents that it could have purchased Shares, in an amount equal to the product of the Number of Options and the Option Entitlement, on the Exchange or otherwise, in compliance with applicable law, its organizational documents and any orders, decrees, contractual agreements binding upon the Counterparty, on the Trade Date.

(i) Board Authorization. Each of this Transaction and the issuance of the Convertible Notes was approved by its board of directors and publicly announced, solely for the purposes stated in such board resolution and public disclosure and the Counterparty's board of directors has duly authorized any repurchase of Shares pursuant to this Transaction. The Counterparty further represents that there is no internal policy, whether written or oral, of the Counterparty that would prohibit the Counterparty from entering into any aspect of this Transaction, including, but not limited to, the purchases of Shares to be made pursuant hereto.

(j) Transfer or Assignment. (i) The Counterparty shall have the right to assign its rights and obligations hereunder with respect to any Options hereunder (such Options, the "Transfer Options"), subject to BofA's consent, such consent not to be unreasonably withheld or delayed; provided that such assignment or transfer shall be effected on terms satisfactory to BofA and shall be subject, but not limited, to the following conditions:

(A) With respect to any Transfer Options, the Counterparty shall not be released from its notice and indemnification obligations pursuant to Section 9(c) or any obligations under Section 9(s) of this Confirmation;

(B) Any Transfer Options shall only be transferred or assigned to a third party reasonably acceptable to BofA and on terms, including any reasonable undertakings by such third party and execution of any documentation and delivery of legal opinions with respect to securities laws and other matters by such third party and the Counterparty, as are requested and reasonably satisfactory to BofA; and

(C) The Counterparty shall be responsible for all reasonable costs and expenses, including reasonable counsel fees, incurred by BofA in connection with such transfer or assignment.

(ii) BofA may not transfer or assign all or any portion of its rights or obligations under this Transaction without consent of the Counterparty; provided, however, that if BofA, in its reasonable discretion, determines that, (x) its "beneficial ownership" (within the

meaning of Section 16 of the Exchange Act and rules promulgated thereunder) exceeds 8% or more of the Counterparty's outstanding Shares or (y) the product of the Number of Options and the Option Entitlement divided by the total number of the Counterparty's outstanding Shares (the "Options Equity Percentage") exceeds 15%, then:

(A) BofA may transfer or assign a number of Options sufficient to reduce such "beneficial ownership" to 7.5% or such Options Equity Percentage to 14.5% to any third party with a rating for its long term, unsecured and unsubordinated indebtedness of A- or better by Standard & Poor's Ratings Service or its successor ("S&P"), or A3 or better by Moody's Investors Service ("Moody's") or, if either S&P or Moody's ceases to rate such debt, at least an equivalent rating or better by a substitute rating agency mutually agreed by the Counterparty and BofA; and

(B) If such "beneficial ownership" exceeds 8% or such Options Equity Percentage exceeds 15%,

(1) at a time when the number of Counterparty's outstanding Shares, subject to any adjustments provided herein, is less than 22 million;

(2) as a result of any breach by the Counterparty of its notice obligations under Section 9(e); or

(3) and if, in the good faith reasonable judgment of BofA, based upon advice of counsel and as a result of events occurring after the Trade Date, BofA reasonably determines that it would be inadvisable to engage in any alternative hedging transactions, which would enable it to reduce its "beneficial" ownership or its Options Equity Percentage, other than by transfer, assignment or termination, and in either case BofA reasonably determines that it is unable after its commercially reasonable efforts to effect transfer or assignment on pricing terms and in a time period reasonably acceptable to BofA that would reduce its "beneficial ownership" to 7.5% or such Options Equity Percentage to 14.5%;

BofA may designate any Exchange Business Day as an Early Termination Date with respect to a portion (the "Terminated Portion") of this Transaction, such that its "beneficial ownership" following such partial termination would be approximately equal to 7.5% or the Options Equity Percentage approximately equal to 14.5%, as applicable. If BofA so designates an Early Termination Date with respect to a portion of this Transaction, a payment shall be made pursuant to Section 6 of the Agreement as if an Early Termination Date had occurred in respect of a Transaction having terms identical to this Transaction except with a Number of Options equal to the Terminated Portion, with respect to which the Counterparty shall be the sole Affected Party and such Transaction shall be the only Affected Transaction.

(iii) Notwithstanding any other provision in this Confirmation to the contrary requiring or allowing BofA to purchase, sell, receive or deliver any Shares or other securities to or from the Counterparty, BofA may designate any of its affiliates to purchase, sell, receive or deliver such shares or other securities and otherwise to perform BofA's obligations in respect of this Transaction and any such designee may assume such obligations. BofA shall be discharged of its obligations to the Counterparty only to the extent of any such performance.

(k) Modified Settlement. If, upon advice of counsel, BofA reasonably determines, with respect to applicable legal and regulatory requirements, including any requirements relating to BofA's hedging activities hereunder, or due to a lack of sufficient liquidity in the borrow market for the Shares, that it would not be practicable or advisable to deliver, or to acquire to deliver, any or all of the Shares to be delivered by BofA on the Settlement Date for this Transaction, BofA may, by notice to the Counterparty on or prior to any anticipated Settlement Date (a "Nominal Settlement Date"), elect to deliver the Shares on a different date or two or more dates, whether immediately preceding or following such Settlement Date (each, a "Staggered Settlement Date"), as follows:

(i) in such notice, BofA will specify to the Counterparty the related Staggered Settlement Date or Dates (the last of which may be no later than the twenty-fifth (25th) Scheduled Trading Day following the Nominal Settlement Date) and the number of Shares that it will deliver on each Staggered Settlement Date; and

(ii) the aggregate number of Shares that BofA will deliver to the Counterparty hereunder on all such Staggered Settlement Dates will equal the number of Shares that BofA would otherwise be required to deliver on such Nominal Settlement Date.

BofA shall effect such delivery as promptly as is practicable and shall compensate the Counterparty for any delayed delivery by paying, in addition to delivering any Shares hereunder, an amount, as determined by the Calculation Agent, equal to the sum for each day of such delay of the product of (i) the Federal Funds Rate divided by 360 and (ii) the value of the Shares not delivered as of such day; provided that if BofA fails to deliver any Shares hereunder by the twenty-fifth (25th) Scheduled Trading Day immediately following the Nominal Settlement Date, such event shall constitute an Additional Termination Event with respect to the portion of this Transaction corresponding to the number of Shares not delivered by BofA by such date, with respect to which BofA shall be the sole Affected Party and this Transaction the sole Affected Transaction.

"Federal Funds Rate" means, for any day, the rate set forth for such day opposite the caption "Federal funds", as such rate is displayed on the page FedsOpen [Index][GO] on the Bloomberg Professional Service or any successor page; provided that if no rate appears for any day on such page, the rate for the immediately preceding day for which a rate does so appear shall be used for such day.

(l) Damages. Neither party shall be liable under Section 6.10 of the Equity Definitions for special, indirect or consequential damages, even if informed of the possibility thereof.

(m) Early Unwind. In the event the sale of Convertible Notes is not consummated with the initial purchasers for any reason by the close of business in New York on March 13, 2006 (or such later date as agreed upon by the parties) (March 13, 2006 or such later date as agreed upon, being the "Early Unwind Date"), this Transaction shall automatically terminate (the "Early Unwind"), on the Early Unwind Date and (i) the Transaction and all of the respective rights and obligations of BofA and the Counterparty under the Transaction shall be cancelled and terminated and (ii) each party shall be released and discharged by the other party from and agrees not to make any claim against the other party with respect to any obligations or liabilities of the other party arising out of and to be performed in connection with the Transaction either prior to or after the Early Unwind Date; provided that, if the failure to consummate the sale of the Convertible Notes results from a breach by the Counterparty of any representation of or any undertaking by the Counterparty contained in the Purchase Agreement, the Counterparty shall purchase from

BofA on the Early Unwind Date any Shares purchased by BofA or one or more of its affiliates in connection with this Transaction and reimburse BofA for any costs or expenses (including market losses) relating to the unwinding of its reasonable hedging activities in connection with the Transaction (including any losses or costs incurred as a result of its terminating, liquidating, obtaining or reestablishing any reasonable hedge or related trading position). The amount of any such reimbursement shall be determined by BofA in its reasonable good faith discretion. BofA shall notify the Counterparty of such amount, including, upon the Counterparty's request, an explanation of the basis of determination of such amount, and the Counterparty shall pay such amount in immediately available funds on the Early Unwind Date. BofA and the Counterparty represent and acknowledge to the other that, subject to the proviso included in this Section, upon an Early Unwind, all obligations with respect to the Transaction shall be deemed fully and finally discharged.

(n) Role of Agent. Each party agrees and acknowledges that (i) Banc of America Securities LLC ("BASL"), has acted solely as agent and not as principal with respect to this Transaction and (ii) BASL has no obligation or liability, by way of guaranty, endorsement or otherwise, in any manner in respect of this Transaction (including, if applicable, in respect of the settlement thereof). Each party agrees it will look solely to the other party (or any guarantor in respect thereof) for performance of such other party's obligations under this Transaction.

(o) Additional Provisions.

(i) Notwithstanding Section 9.7 of the Equity Definitions, everything in the first paragraph of Section 9.7(b) of the Equity Definitions after the words "Calculation Agent" in the third line through the remainder of such Section 9.7 shall be deleted and replaced with the following:

"based on an amount representing the Calculation Agent's determination of the fair value to Buyer of an option with terms that would preserve for Buyer the economic equivalent of any payment or delivery (assuming satisfaction of each applicable condition precedent, including, for the avoidance of doubt, the occurrence of a Conversion Date with respect to each Option) by the parties in respect of the relevant Transaction that would have been required after that date but for the occurrence of the Share De-listing."

(ii) Notwithstanding anything to the contrary in the Agreement, this Confirmation or the Equity Definitions, (A) in determining any amount payable in respect of an Early Termination Date or a Cancellation and Payment, the value of this Transaction shall be determined as if all Options outstanding at such time would become Exercisable Options during the Final Exercise Period and, (B) in no event shall the calculation of the amount under Section 6 of the Agreement in respect of an Additional Termination Event result in any amount being payable by the Counterparty.

(p) Alternative Calculations and Payment on Early Termination and on Certain Extraordinary Events. If, in respect of this Transaction, an amount is payable by BofA to the Counterparty (i) pursuant to Section 9.7 of the Equity Definitions or this Confirmation (except in the event of a Merger Event in which the consideration to be paid to holders of Shares consists solely of cash) or (ii) pursuant to Section 6(d)(ii) of the Agreement (except in the event of an Event of Default in which the Counterparty is the Defaulting Party or a Termination Event in which the Counterparty is the Affected Party, other than an Event of Default of the type described in Section 5(a)(iii), (v), (vi), (vii) or

(viii) of the Agreement or in this Confirmation or a Termination Event of the type described in Section 5(b)(i), (ii), (iii), (iv), (v) or (vi) of the Agreement or in this Confirmation, in each case resulting from an event or events outside the Counterparty's control) (a "Payment Obligation"), the Counterparty may, in its sole -- discretion, request that BofA satisfy such Payment Obligation by the Share Termination Alternative (as defined below) and shall give irrevocable telephonic notice to BofA, confirmed in writing within one Currency Business Day, no later than 12:00 p.m. New York City time on the Merger Date, the date of the Share De-listing or the Early Termination Date, as applicable; provided that if the Counterparty does not validly request that BofA satisfy its Payment Obligation by the Share Termination Alternative, BofA shall have the right, in its sole discretion, to satisfy its Payment Obligation by the Share Termination Alternative, notwithstanding Counterparty's lack of election or election to the contrary. In calculating any amounts under Section 6(e) of the Agreement, notwithstanding anything to the contrary in the Agreement, (1) separate amounts shall be calculated as set forth in Section 6(e) with respect to (a) this Transaction and (b) all other Transactions, and (2) such separate amounts shall be payable pursuant to Section 6(d)(ii) of the Agreement, subject to, in the case of clause (1)(a), the Share Termination Alternative right hereunder.

Share Termination Alternative:	If applicable, BofA shall deliver to the Counterparty the Share Termination Delivery Property on the date when the Payment Obligation would otherwise be due pursuant to Section 9.7 of the Equity Definitions, this Confirmation or Section 6(d)(ii) and 6(e) of the Agreement, as applicable (the "Share Termination Payment Date"), in satisfaction of the Payment Obligation in the manner reasonably requested by the Counterparty free of payment.
Share Termination Delivery Property:	A number of Share Termination Delivery Units, as calculated by the Calculation Agent, equal to the Payment Obligation divided by the Share Termination Unit Price. The Calculation Agent shall adjust the Share Termination Delivery Property by replacing any fractional portion of a security therein with an amount of cash equal to the value of such fractional security based on the values used to calculate the Share Termination Unit Price.
Share Termination Unit Price:	The value to BofA of property contained in one Share Termination Delivery Unit on the date such Share Termination Delivery Units are to be delivered as Share Termination Delivery Property, as determined by the Calculation Agent in its discretion by commercially reasonable means and notified

	by the Calculation Agent to BofA at the time of notification of the Payment Obligation.
Share Termination Delivery Unit:	One Share or, if a Merger Event has occurred and a corresponding adjustment to this Transaction has been made, a unit consisting of the number or amount of each type of property received by a holder of one Share (without consideration of any requirement to pay cash or other consideration in lieu of fractional amounts of any securities) in such Merger Event, as determined by the Calculation Agent.
Failure to Deliver:	Applicable
Other applicable provisions:	If the Share Termination Alternative is applicable, the provisions of Sections 6.6, 6.7, 6.8, 6.9 and 6.10 (as modified above) of the Equity Definitions will be applicable, except that all references in such provisions to "Physically-Settled" shall be read as references to "Share Termination Settled" and all references to "Shares" shall be read as references to "Share Termination Delivery Units". "Share Termination Settled" in relation to this Transaction means that the Share Termination Alternative is applicable to this Transaction.

(q) Governing Law. New York law (without reference to choice of law doctrine).

(r) Waiver of Jury Trial. Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any suit, action or proceeding relating to this Transaction. Each party (i) certifies that no representative, agent or attorney of the other party has represented, expressly or otherwise, that such other party would not, in the event of such a suit, action or proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other party have been induced to enter into this Transaction, as applicable, by, among other things, the mutual waivers and certifications provided herein.

(s) Registration. The Counterparty hereby agrees that if, in the good faith reasonable judgment of BofA, based upon the advice of counsel, the Shares ("Hedge Shares") acquired by BofA for the purpose of hedging its obligations pursuant to this Transaction cannot be sold in the U.S. public market by BofA without registration under the Securities Act, the Counterparty shall, at its election, either (i) in order to allow BofA to sell the Hedge Shares in a registered offering, make available to BofA an effective registration statement under the Securities Act to cover the resale of such Hedge Shares and enter into an agreement, in form and substance reasonably satisfactory to BofA, substantially in the form of an underwriting agreement for a registered offering; provided, however, that if BofA, in its reasonable discretion, is not satisfied with access to due diligence materials, the results of its due diligence investigation, or the procedures and

documentation for the registered offering referred to above, then clause (ii) or clause (iii) of this Section 9(s) shall apply at the election of the Counterparty, (ii) in order to allow BofA to sell the Hedge Shares in a private placement, enter into a private placement agreement substantially similar to private placement purchase agreements customary for private placements of equity securities, in form and substance reasonably satisfactory to BofA (in which case, the Calculation Agent shall make any adjustments to the terms of this Transaction that are necessary, in its reasonable judgment, to compensate BofA for any discount from the public market price of the Shares incurred on the sale of Hedge Shares in a private placement), or (iii) purchase the Hedge Shares from BofA at the Last Reported Sale Price on such Exchange Business Days, and in the amounts, requested by BofA.

(t) Tax Advice. BofA and its affiliates do not provide tax advice. Accordingly, any statements contained herein as to tax matters were neither written nor intended by BofA to be used and cannot be used by any taxpayer for the purpose of avoiding tax penalties that may be imposed on such taxpayer. If any person uses or refers to any such tax statement in promoting, marketing or recommending a partnership or other entity, investment plan or arrangement to any taxpayer, then the statement expressed above is being delivered to support the promotion or marketing of the transaction or matter addressed and the recipient should seek advice based on its particular circumstances from an independent tax advisor. Notwithstanding anything herein to the contrary, the sender and any intended recipient of this communication (and any of its employees, representatives and other agents) may disclose to any and all persons, without limitation of any kind, the tax treatment or tax structure of this transaction.

(u) No Setoff. Notwithstanding any provision of the Agreement or any other agreement between the parties to the contrary, obligations under this Transaction shall not be set off by BofA (including, for the avoidance of doubt, pursuant to Section 6(f) of the Agreement) against any other obligations of the parties, whether arising under the Agreement, this Confirmation, under any other agreement between the parties hereto, by operation of law or otherwise.

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing this Confirmation and returning it in the manner indicated in the attached cover letter.

Very truly yours,

Bank of America, N.A.

By: /s/ Eric P. Hambleton

Authorized Signatory
Name: Eric P. Hambleton

Accepted and confirmed
as of the Trade Date:

ALBANY INTERNATIONAL CORP.

By: /s/ David C. Michaels

Authorized Signatory
Name: David C. Michaels

Form of Legal Opinion

JPMorgan [LOGO]

JPMorgan Chase Bank, N. A.
P.O. Box 161
60 Victoria Embankment
London EC4Y 0JP
England

March 7, 2006

To: Albany International Corp.
1373 Broadway
Albany, New York 12204
Attention: Christopher J. Connally, Corporate Treasurer
Telephone No.: (518) 445-2235
Facsimile No.: (518) 447-6305

Re: Call Option Transaction

The purpose of this letter agreement is to confirm the terms and conditions of the Transaction entered into between JPMorgan Chase Bank, National Association, London Branch ("JPMorgan"), and Albany International Corp., a Delaware corporation (the "Counterparty"), on the Trade Date specified below (the "Transaction"). This letter agreement constitutes a "Confirmation" as referred to in the ISDA Master Agreement specified below. This Confirmation shall replace any previous agreements and serve as the final documentation for this Transaction.

The definitions and provisions contained in the 1996 ISDA Equity Derivatives Definitions (the "Equity Definitions"), as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Confirmation. In the event of any inconsistency between the Equity Definitions and this Confirmation, this Confirmation shall govern. Certain defined terms used herein have the meanings assigned to them in the Offering Memorandum dated March 7, 2006 (the "Offering Memorandum") relating to the USD 150,000,000 principal amount of 2.25% Convertible Senior Notes due 2026, (the "Convertible Notes" and each USD 1,000 principal amount of Convertible Notes, a "Convertible Note") issued by the Counterparty pursuant to an Indenture to be dated on or about March 13, 2006 between the Counterparty and JPMorgan Chase Bank, N.A., as trustee (the "Indenture"). In the event of any inconsistency between the terms defined in the Offering Memorandum and this Confirmation, this Confirmation shall govern.

Each party is hereby advised, and each such party acknowledges, that the other party has engaged in, or refrained from engaging in, substantial financial transactions and has taken other material actions in reliance upon the parties' entry into the Transaction to which this Confirmation relates on the terms and conditions set forth below.

1. This Confirmation evidences a complete and binding agreement between JPMorgan and the Counterparty as to the terms of the Transaction to which this Confirmation relates. This Confirmation shall supplement, form a part of, and be subject to an agreement in the form of the 2002 ISDA Master Agreement (the "Agreement") as if JPMorgan and the Counterparty had executed an agreement in such form (but without any Schedule except for the election of the laws of the State of New York as the governing law) on the Trade Date. In the event of any inconsistency between provisions of that Agreement and this Confirmation, this Confirmation will prevail for the purpose of the Transaction to which this Confirmation relates. The parties hereby agree that no Transaction other than the Transaction to which this Confirmation relates shall be governed by the Agreement.

2. The terms of the particular Transaction to which this Confirmation relates are as follows:

General Terms:

Trade Date:	March 7, 2006
Option Style:	"Modified American", as described under "Exercise and Valuation" below
Option Type:	Call
Buyer:	Counterparty
Seller:	JPMorgan
Shares:	The Class A common stock of the Counterparty, par value USD 0.001 per Share (Exchange symbol "AIN")
Number of Options:	90,000
Option Entitlement:	As of any date, a number equal to the Conversion Rate as of such date (as defined in the Indenture, but without regard to any adjustments to the Conversion Rate pursuant to Section 15.04(i), Section 15.03(a) or Section 15.03(d) of the Indenture), for each Convertible Note.
Strike Price:	USD 44.52
Premium:	USD 23,909,312.47
Premium Payment Date:	March 13, 2006
Exchange:	The New York Stock Exchange
Related Exchange(s):	None

Exercise and Valuation:

Exercise Period(s):	Notwithstanding the Equity Definitions, in respect of Exercisable Options relating to Convertible Notes with a particular Conversion Date (each as defined below), the Exercise Period shall be the period commencing on and including the Conversion Date for the Convertible Notes corresponding to such Exercisable Options and ending at 7:30 a.m. New York City time on the first day of the relevant Cash Settlement Averaging Period; provided that if the Counterparty has validly designated March 15, 2013 as a redemption date for the Convertible Notes pursuant to the terms of the Indenture, there shall be a single Exercise Period for Exercisable Options relating to the Convertible Notes with a Conversion Date following the day on which the Counterparty gives notice of such redemption and that Exercise Period shall terminate at 7:30 a.m. New York City time on the redemption date; provided further that if the Counterparty has not validly designated March 15, 2013 as

	a redemption date for the Convertible Notes pursuant to the terms of the Indenture, Conversion Dates occurring after the date that is twenty-seven (27) Scheduled Trading Days prior to March 15, 2013 shall not result in the commencement of an Exercise Period and no Exercisable Options will be exercised or deemed exercised in respect thereof. "Scheduled Trading Day" means any day on which the Exchange is scheduled to be open for trading for its regular trading session.
Exercisable Options:	In respect of any date on which a holder of Convertible Notes properly surrenders, or is deemed to surrender, to the Counterparty a Convertible Note for conversion (a "Conversion Date"), a number of Options equal to 60% of the number of Convertible Notes properly surrendered, or deemed surrendered, for conversion on such Conversion Date (which, for the avoidance of doubt, may be rounded up or down by the Company to account for any conversions which may result in fractional Exercisable Options and may not exceed the Number of Options).
Expiration Date:	For any Exercisable Option, the earlier of (i) the final day of the Exercise Period for such Exercisable Option, and (ii) the Final Expiration Date.
Final Expiration Date:	March 15, 2013
Multiple Exercise:	Applicable, as described under Exercisable Options above.
Automatic Exercise:	Applicable, subject to the provisions of "Notice of Exercise" below.
Notice of Exercise:	Notwithstanding anything to the contrary in the Equity Definitions, in order to exercise any Exercisable Option, the Counterparty must notify JPMorgan, which notification shall be irrevocable after 7:30 a.m. New York City time on the first day of the relevant Cash Settlement Averaging Period and shall not be subject to subsequent amendments, in writing or orally (and, if such Notice of Exercise is delivered by the Counterparty after the close of business in New York City on the Scheduled Trading Day immediately preceding the Expiration Date, via e-mail to the address specified by JPMorgan and delivered to the Counterparty by the Premium Payment Date), by 7:30 a.m. New York City time on the first day of the relevant Cash Settlement Averaging Period for such Exercisable Option of (i) the number of Convertible Notes properly submitted for conversion on the relevant Conversion Date and the number of Exercisable Options corresponding to such Convertible Notes, (ii) the first day of the applicable Cash Settlement Averaging Period and (iii) the scheduled Settlement Date; provided that if the

Counterparty has validly designated March 15, 2013 as a redemption date for the Convertible Notes pursuant to the terms of the Indenture, such notice may be given on or prior to the Expiration Date for such Exercisable Options and need only specify the number of Convertible Notes submitted for conversion during the final Exercise Period and the number of Exercisable Options corresponding to such Convertible Notes.

Exchange Business Day: Section 1.20 of the Equity Definitions is hereby replaced in its entirety by the following:

"'Exchange Business Day' means a day during which (i) trading in the Shares generally occurs and (ii) there is no Market Disruption Event and (iii) the Last Reported Sale Price (as defined in the Indenture) for the Shares is available for such day."

Market Disruption Event: Section 4.3(a) of the Equity Definitions is hereby replaced in its entirety by the following:

"'Market Disruption Event' means, in respect of the Shares, (i) a failure by the Exchange to open for trading during its regular trading session or (ii) the occurrence or existence prior to 1:00 p.m. New York City time on any Exchange Business Day for the Shares for an aggregate one half-hour period of any suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the Exchange or otherwise) in the Shares or in any options, contracts or future contracts relating to the Shares."

Settlement Terms:

Settlement Method: Net Share Settlement

Net Share Settlement: For each Exercisable Option that is exercised or deemed exercised, JPMorgan will deliver to the Counterparty, on the related Settlement Date, a number of Shares equal to the Net Shares in respect of such Exercisable Option. In no event will the Net Shares be less than zero.

Net Shares: In respect of each Exercisable Option exercised or deemed exercised, a number of Shares equal to (i) the Option Entitlement multiplied by (ii) the sum, for each Exchange Business Day during the relevant Cash Settlement Averaging Period, of (A) the Relevant Price on such Exchange Business Day, less the Strike Price, divided by (B) the Relevant Price on such Exchange Business Day, divided by (iii) twenty-five (25); provided, however, that if the calculation contained in clause (A) above results in a negative number, such number shall be replaced with the number "zero".

JPMorgan will deliver cash in lieu of any fractional Share with respect to any Net Shares to be delivered

	with respect to all Exercisable Options having the same Settlement Date based on the Last Reported Sale Price (as defined in the Indenture) for the Shares on the final Exchange Business Day of the relevant Cash Settlement Averaging Period.
Relevant Price:	For each Exchange Business Day during a Cash Settlement Averaging Period, the per Share volume-weighted average price for such day as displayed under the heading "Bloomberg VWAP" on Bloomberg page AIN {equity} AQR (or any successor thereto) in respect of the period from 9:30 a.m. to 4:00 p.m. (New York City time) on such Exchange Business Day (or if such volume-weighted average price is unavailable, the market value of one Share on such Exchange Business Day, as determined by the Calculation Agent, using a volume-weighted method).
Cash Settlement Averaging Period:	For each Exercisable Option, the twenty-five (25) consecutive Exchange Business Days commencing on and including the second Exchange Business Day following the Conversion Date for the Convertible Note relating to such Exercisable Option; provided that if the Counterparty has validly designated March 15, 2013 as a redemption date for the Convertible Notes pursuant to the terms of the Indenture, the Cash Settlement Averaging Period for any Exercisable Options relating to the Convertible Notes with a Conversion Date following the date on which the Counterparty gives notice of such redemption, the twenty-five (25) consecutive Exchange Business Days commencing on and including the twenty-eighth (28th) Scheduled Trading Day preceding such redemption date.
Settlement Date:	For each Exercisable Option, the settlement date for Shares to be delivered with respect to the related Convertible Notes under the terms of the Indenture.
Other Applicable Provisions:	The provisions of Sections 6.6, 6.7, 6.8, 6.9 and 6.10 of the Equity Definitions will be applicable, except that all references in such provisions to "Physically-Settled" shall be read as references to "Net Share Settled". "Net Share Settled" in relation to any Option means that Net Share Settlement is applicable to that Option.
Failure to Deliver:	Applicable

3. Additional Terms applicable to the Transaction:

Adjustments applicable to the Transaction:	
Potential Adjustment Events:	Notwithstanding Section 9.1(e) of the Equity Definitions, a "Potential Adjustment Event" means any occurrence of any event or condition, as set forth in Section 15.04 of the Indenture resulting in an adjustment to the Conversion

Rate of the Convertible Notes, excluding adjustments or conditions that result from an adjustment to the Conversion Rate pursuant to Section 15.04(i) or Section 15.03(a) of the Indenture.

Method of Adjustment: Calculation Agent Adjustment, and means that, notwithstanding Section 9.1(c) of the Equity Definitions, upon any adjustment to the Conversion Rate of the Convertible Notes pursuant to the Indenture (other than Section 15.04(i) and Section 15.03(a) of the Indenture) and an equivalent adjustment to the Option Entitlement hereunder, the Calculation Agent, in order to reflect the effect of the event or condition relating to such adjustment on this Transaction, will make a corresponding adjustment to any one or more of the Strike Price, Number of Options and any other variable relevant to the exercise, settlement or payment for the Transaction.

Extraordinary Events applicable to the Transaction:

Merger Events: Notwithstanding Section 9.2(a) of the Equity Definitions, a "Merger Event" means the occurrence of any event or condition set forth in Section 15.06 of the Indenture.

Consequence of Merger Events: Notwithstanding Section 9.3 of the Equity Definitions, upon the occurrence of a Merger Event, the Calculation Agent shall make a corresponding adjustment in respect of any adjustment under the Indenture to any one or more of the nature of the Shares, Strike Price, Number of Options, Option Entitlement and any other variable relevant to the exercise, settlement or payment for the Transaction; provided, however, that such adjustment (i) shall be made without regard to any adjustment to the Conversion Rate for the issuance of additional shares as set forth in Section 15.03(a) of the Indenture, and (ii) shall assume that, in the case of a "Public Acquirer Change of Control" (as defined in the Indenture), the Counterparty does not make an election provided in Section 15.03(d) of the Indenture.

Additional Termination Events: If an event of default with respect to the Counterparty shall occur under the terms of the Convertible Notes as set forth in Section 7.01 of the Indenture and such event of default results in the declaration of principal and interest immediately due and payable pursuant to the terms of the Indenture, such event shall constitute an Additional Termination Event applicable to this Transaction, with respect to which the Counterparty shall be deemed to be the sole Affected Party and this Transaction shall be the sole Affected Transaction; provided that, notwithstanding Section 6(b)(iv)(1) of the Agreement, JPMorgan will be required, if the Counterparty makes itself promptly available upon request, to consult with the Counterparty and to reasonably consider whether it is advisable to designate an Early Termination Date pursuant to Section 6(b) of the Agreement.

Whenever the Counterparty is required to deliver to the Trustee an officer's certificate with respect to a default or an event of default pursuant to Section 5.08 of the Indenture, the Counterparty shall also be required to deliver a copy

of such certificate to JPMorgan hereunder.

4. Calculation Agent: JPMorgan. Whenever the Calculation Agent is required to act or to exercise judgment in any way, it will do so in good faith and in a commercially reasonable manner to achieve a commercially reasonable result.

The Calculation Agent shall, not later than the third Currency Business Day following receipt of a written request of the Counterparty, provide the Counterparty with a written explanation of the basis of any determination, adjustment or calculation made hereunder; provided that if, after reviewing such written explanation, the Counterparty objects to such determination, adjustment or calculation, then the Counterparty, JPMorgan and the Calculation Agent shall make reasonable good faith efforts to agree upon an appropriate determination, adjustment or calculation.

5. Account Details:

(a) Account for payments from the Counterparty:

JPMorgan, New York
ABA: 021-000-021
Acct: CHASUS33
Acct No.: 910-1010-693

Account for delivery of Shares to the Counterparty:

DTC 50108 (Computershare)
Note: the shares cannot be sent electronically. They must be DWACed.

(b) Account for payments to JPMorgan:

JPMorgan Chase Bank, N.A., New York
ABA: 021 000 021
Favour: JPMorgan Chase Bank, N.A. - London
A/C: 0010962009 CHASUS33

Account for delivery of Shares from JPMorgan:

DTC 060

6. Offices:

The Office of the Counterparty for the Transaction is: Inapplicable, the Counterparty is not a Multibranch Party.

The Office of JPMorgan for the Transaction is: New York

JPMorgan Chase Bank, N.A.
London Branch
P.O. Box 161
60 Victoria Embankment
London EC4Y 0JP
England

7. Notices: For purposes of this Confirmation:

(a) Address for notices or communications to the Counterparty:

Albany International Corp. 1373 Broadway
Albany, New York 12204
Attention: Christopher J. Connally
Telephone No.: (518) 445-2235
Facsimile No.: (518) 447-6305

With a copy to:

Albany International Corp.
1373 Broadway
Albany, New York 12204
Attention: Charles J. Silva, Jr.
Telephone No.: (518) 445-2277
Facsimile No.: (518) 447-6575

(b) Address for notices or communications to JPMorgan:
JPMorgan Chase Bank, National Association
277 Park Avenue, 11th Floor
New York, NY 10172
Attention: Nathan Lulek
EDG Corporate Marketing
Telephone No.: (212) 622-2262
Facsimile No.: (212) 622-8091

8. Representations and Warranties of the Counterparty

The representations and warranties of the Counterparty set forth in Section 4 of the Purchase Agreement (the "Purchase Agreement") dated as of the Trade Date between the Counterparty and J.P. Morgan Securities Inc. and Banc of America Securities LLC, as Initial Purchasers, are true and correct and are hereby deemed to be repeated to JPMorgan as if set forth herein. The Counterparty hereby further represents and warrants to JPMorgan that:

(a) The Counterparty has all necessary corporate power and authority to execute, deliver and perform its obligations in respect of this Transaction; such execution, delivery and performance have been duly authorized by all necessary corporate action on the Counterparty's part; and this Confirmation has been duly and validly executed and delivered by the Counterparty and constitutes its valid and binding obligation, enforceable against the Counterparty in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity) and except that rights to indemnification and contribution hereunder may be limited by federal or state securities laws or public policy relating thereto.

(b) Neither the execution and delivery of this Confirmation nor the incurrence or performance of obligations of the Counterparty hereunder will conflict with or result in a breach of the certificate of incorporation or by-laws (or any equivalent documents) of the Counterparty, or any applicable law or regulation, or any order, writ, injunction or decree of any court or governmental authority or agency, or any agreement or instrument to which the Counterparty or any of its Significant Subsidiaries is a party or by which the Counterparty or any of its Significant Subsidiaries is bound or to which the Counterparty

or any of its Significant Subsidiaries is subject, or constitute a default under, or result in the creation of any lien under, any such agreement or instrument, or breach or constitute a default under any agreements and contracts of the Counterparty and its Significant Subsidiaries filed as exhibits to the Counterparty's Annual Report on Form 10-K for the year ended December 31, 2004, incorporated by reference in the Offering Memorandum.

(c) No consent, approval, authorization, or order of, or filing with, any governmental agency or body or any court is required in connection with the execution, delivery or performance by the Counterparty of this Confirmation, except such as have been obtained or made and such as may be required under the Securities Act of 1933, as amended (the "Securities Act") or state securities laws.

(d) The Counterparty is an "eligible contract participant" (as such term is defined in Section 1a(12) of the Commodity Exchange Act, as amended (the "CEA") because one or more of the following is true:

The Counterparty is a corporation, partnership, proprietorship, organization, trust or other entity and:

(A) the Counterparty has total assets in excess of USD 10,000,000;

(B) the obligations of the Counterparty hereunder are guaranteed, or otherwise supported by a letter of credit or keepwell, support or other agreement, by an entity of the type described in Section 1a(12)(A)(i) through (iv), 1a(12)(A)(v)(I), 1a(12)(A)(vii) or 1a(12)(C) of the CEA; or

(C) the Counterparty has a net worth in excess of USD 1,000,000 and has entered into this Agreement in connection with the conduct of Counterparty's business or to manage the risk associated with an asset or liability owned or incurred or reasonably likely to be owned or incurred by the Counterparty in the conduct of the Counterparty's business.

(e) The Counterparty is not, on the date hereof, in possession of any material non-public information with respect to the Counterparty.

9. Other Provisions:

(a) Opinions. The Counterparty shall deliver to JPMorgan an opinion of counsel, dated as of the Trade Date, substantially in the form set forth in Exhibit A hereto.

(b) Amendment. If the Initial Purchasers party to the Purchase Agreement exercise their right to purchase additional Convertible Notes as set forth therein, then, at the discretion of the Counterparty, JPMorgan and the Counterparty will amend this Confirmation to provide for such increase in Convertible Notes (but on pricing terms acceptable to JPMorgan and the Counterparty) (such amendment to provide for the payment by the Counterparty to JPMorgan of the additional premium related thereto).

(c) No Reliance, etc. Each party represents that (i) it is entering into the Transaction evidenced hereby as principal (and not as agent or in any other capacity); (ii) neither the other party nor any of its agents are acting as a fiduciary for it; (iii) it is not relying upon any representations except those expressly set forth in the Agreement or this Confirmation; (iv) it has not relied on the other party for any legal, regulatory, tax, business, investment, financial, and accounting advice, and it has made its own investment, hedging, and trading decisions based upon its own judgment and not upon any view expressed by the other party or any of its agents; and (v) it is entering into this Transaction with a full understanding of the terms, conditions and risks thereof and it is capable of and willing to assume those risks.

(d) Share De-listing Event. If at any time during the period from and including the Trade Date, to and including the Final Expiration Date, the Shares cease to be listed or quoted on the Exchange for any reason (other than a Merger Event as a result of which the shares of common stock underlying the Options are listed or quoted on The New York Stock Exchange, The American Stock Exchange or the NASDAQ National Market (or their respective successors) (the "Successor Exchange")) and are not immediately re-listed or quoted as of the date of such de-listing on the Successor Exchange (a "Share De-listing"), then Cancellation and Payment (as defined in Section 9.6 of the Equity Definitions, treating the "Announcement Date" as the date of first public announcement that the Share De-listing, will occur and the "Merger Date" as the date of the Share De-listing) shall apply, and the date of the de-listing shall be deemed the date of termination for purposes of calculating any payment due from one party to the other in connection with the cancellation of this Transaction. If the Shares are immediately re-listed on a Successor Exchange upon their de-listing from the Exchange, this Transaction shall continue in full force and effect, provided that the Successor Exchange shall be deemed to be the Exchange for all purposes hereunder; provided that the Calculation Agent may make appropriate adjustments to the terms of this Transaction to reflect the effect of such re-listing. For the avoidance of doubt, in no event will a Share De-listing result in an obligation of the Counterparty under this Confirmation to make a payment to JPMorgan.

(e) Repurchase Notices. The Counterparty shall, on any day on which the Counterparty effects any repurchase of Shares, promptly give JPMorgan a written notice of such repurchase (a "Repurchase Notice") on such day if following such repurchase, the number of outstanding Shares on such day, subject to any adjustments provided herein, is (i) less than 25 million (in the case of the first such notice) or (ii) thereafter, more than 125,000 less than the number of Shares included in the immediately preceding Repurchase Notice. The Counterparty agrees to indemnify and hold harmless JPMorgan and its affiliates and their respective officers, directors, employees, affiliates, advisors, agents and controlling persons (each, an "Indemnified Person") from and against any and all losses (including losses relating to JPMorgan's reasonable hedging activities as a consequence of becoming, or of the risk of becoming, a Section 16 "insider", including without limitation, any forbearance from reasonable hedging activities or cessation of such hedging activities and any losses in connection therewith with respect to this Transaction), claims, damages, judgments, liabilities and expenses (including reasonable attorney's fees), joint or several, which an Indemnified Person actually may become subject to, as a result of the Counterparty's failure to provide JPMorgan with a Repurchase Notice on the day and in the manner specified in this Section 9(e), and to reimburse, within 30 days, upon written request, each of such Indemnified Persons for any reasonable legal or other expenses incurred in connection with investigating, preparing for, providing testimony or other evidence in connection with or defending any of the foregoing. If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against the Indemnified Person, such Indemnified Person shall promptly notify the Counterparty in writing, and the Counterparty, upon request of the Indemnified Person, shall retain counsel reasonably satisfactory to the Indemnified Person to represent the Indemnified Person and any others the Counterparty may designate in such proceeding and shall pay the fees and expenses of such counsel related to such proceeding. The Counterparty shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Counterparty agrees to indemnify any Indemnified Person from and against any loss or liability by reason of such settlement or judgment. The Counterparty shall not, without the prior written consent of the Indemnified Person, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is or could have been a party and indemnity could have been sought hereunder by such Indemnified Person, unless such settlement includes an unconditional release of such Indemnified Person from all liability on claims that are the subject matter of such proceeding on terms reasonably satisfactory to such Indemnified Person. If the indemnification provided for in

this paragraph (e) is unavailable to an Indemnified Person or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then the Counterparty under such paragraph, in lieu of indemnifying such Indemnified Person thereunder, shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages or liabilities. The remedies provided for in this paragraph (e) are not exclusive and shall not limit any rights or remedies which may otherwise be available to any Indemnified Person at law or in equity. The indemnity and contribution agreements contained in this paragraph (e) shall remain operative and in full force and effect regardless of the termination of this Transaction.

(f) Regulation M. The Counterparty was not on the Trade Date and is not on the date hereof engaged in a distribution, as such term is used in Regulation M under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), of any securities of the Counterparty, other than a distribution meeting the requirements of the exception set forth in Rules 101(b)(10) and 102(b)(7) of Regulation M. The Counterparty shall not, until the second Exchange Business Day immediately following the Trade Date, engage in any such distribution.

(g) No Manipulation. The Counterparty is not entering into this Transaction to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for the Shares) or to raise or depress or otherwise manipulate the price of the Shares (or any security convertible into or exchangeable for the Shares).

(h) Number of Repurchased Shares. The Counterparty represents that it could have purchased Shares, in an amount equal to the product of the Number of Options and the Option Entitlement, on the Exchange or otherwise, in compliance with applicable law, its organizational documents and any orders, decrees, contractual agreements binding upon the Counterparty, on the Trade Date.

(i) Board Authorization. Each of this Transaction and the issuance of the Convertible Notes was approved by its board of directors and publicly announced, solely for the purposes stated in such board resolution and public disclosure and the Counterparty's board of directors has duly authorized any repurchase of Shares pursuant to this Transaction. The Counterparty further represents that there is no internal policy, whether written or oral, of the Counterparty that would prohibit the Counterparty from entering into any aspect of this Transaction, including, but not limited to, the purchases of Shares to be made pursuant hereto.

(j) Transfer or Assignment. (i) The Counterparty shall have the right to assign its rights and obligations hereunder with respect to any Options hereunder (such Options, the "Transfer Options"), subject to JPMorgan's consent, such consent not to be unreasonably withheld or delayed; provided that such assignment or transfer shall be effected on terms satisfactory to JPMorgan and shall be subject, but not limited, to the following conditions:

(A) With respect to any Transfer Options, the Counterparty shall not be released from its notice and indemnification obligations pursuant to Section 9(c) or any obligations under Section 9(s) of this Confirmation;

(B) Any Transfer Options shall only be transferred or assigned to a third party reasonably acceptable to JPMorgan and on terms, including any reasonable undertakings by such third party and execution of any documentation and delivery of legal opinions with respect to securities laws and other matters by such third party and the Counterparty, as are requested and reasonably satisfactory to JPMorgan; and

(C) The Counterparty shall be responsible for all reasonable costs and expenses, including reasonable counsel fees, incurred by JPMorgan in connection with such transfer or assignment.

(ii) JPMorgan may not transfer or assign all or any portion of its rights or obligations under this Transaction without consent of the Counterparty; provided, however, that if JPMorgan, in its reasonable discretion, determines that, (x) its "beneficial ownership" (within the meaning of Section 16 of the Exchange Act and rules promulgated thereunder) exceeds 8% or more of the Counterparty's outstanding Shares or (y) the product of the Number of Options and the Option Entitlement divided by the total number of the Counterparty's outstanding Shares (the "Options Equity Percentage") exceeds 15%, then:

(A) JPMorgan may transfer or assign a number of Options sufficient to reduce such "beneficial ownership" to 7.5% or such Options Equity Percentage to 14.5% to any third party with a rating for its long term, unsecured and unsubordinated indebtedness of A- or better by Standard & Poor's Ratings Service or its successor ("S&P"), or A3 or better by Moody's Investors Service ("Moody's") or, if either S&P or Moody's ceases to rate such debt, at least an equivalent rating or better by a substitute rating agency mutually agreed by the Counterparty and JPMorgan; and

(B) If such "beneficial ownership" exceeds 8% or such Options Equity Percentage exceeds 15%,

(1) at a time when the number of Counterparty's outstanding Shares, subject to any adjustments provided herein, is less than 22 million;

(2) as a result of any breach by the Counterparty of its notice obligations under Section 9(e); or

(3) and if, in the good faith reasonable judgment of JPMorgan, based upon advice of counsel and as a result of events occurring after the Trade Date, JPMorgan reasonably determines that it would be inadvisable to engage in any alternative hedging transactions, which would enable it to reduce its "beneficial" ownership or its Options Equity Percentage, other than by transfer, assignment or termination, and in either case JPMorgan reasonably determines that it is unable after its commercially reasonable efforts to effect transfer or assignment on pricing terms and in a time period reasonably acceptable to JPMorgan that would reduce its "beneficial ownership" to 7.5% or such Options Equity Percentage to 14.5%;

JPMorgan may designate any Exchange Business Day as an Early Termination Date with respect to a portion (the "Terminated Portion") of this Transaction, such that its "beneficial ownership" following such partial termination would be approximately equal to 7.5% or the Options Equity Percentage approximately equal to 14.5%, as applicable. If JPMorgan so designates an Early Termination Date with respect to a portion of this Transaction, a payment shall be made pursuant to Section 6 of the Agreement as if an Early Termination Date had occurred in respect of a Transaction having terms identical to this Transaction except with a Number of Options equal to the Terminated Portion, with respect to which the Counterparty shall be the sole Affected Party and such Transaction shall be the only Affected Transaction.

(iii) Notwithstanding any other provision in this Confirmation to the contrary requiring or allowing JPMorgan to purchase, sell, receive or deliver any Shares or other securities to or from the Counterparty, JPMorgan may designate any of its affiliates to purchase, sell, receive or deliver such shares or other securities and otherwise to perform JPMorgan's obligations in respect of this Transaction and any such designee may assume such obligations. JPMorgan shall be discharged of its obligations to the Counterparty only to the extent of any such performance.

(k) Modified Settlement. If, upon advice of counsel, JPMorgan reasonably determines, with respect to applicable legal and regulatory requirements, including any requirements relating to JPMorgan's hedging activities hereunder, or due to a lack of sufficient liquidity in the borrow market for the Shares, that it would not be practicable or advisable to deliver, or to acquire to deliver, any or all of the Shares to be delivered by JPMorgan on the Settlement Date for this Transaction, JPMorgan may, by notice to the Counterparty on or prior to any anticipated Settlement Date (a "Nominal Settlement Date"), elect to deliver the Shares on a different date or two or more dates, whether immediately preceding or following such Settlement Date (each, a "Staggered Settlement Date"), as follows:

(i) in such notice, JPMorgan will specify to the Counterparty the related Staggered Settlement Date or Dates (the last of which may be no later than the twenty-fifth (25th) Scheduled Trading Day following the Nominal Settlement Date) and the number of Shares that it will deliver on each Staggered Settlement Date; and

(ii) the aggregate number of Shares that JPMorgan will deliver to the Counterparty hereunder on all such Staggered Settlement Dates will equal the number of Shares that JPMorgan would otherwise be required to deliver on such Nominal Settlement Date.

JPMorgan shall effect such delivery as promptly as is practicable and shall compensate the Counterparty for any delayed delivery by paying, in addition to delivering any Shares hereunder, an amount, as determined by the Calculation Agent, equal to the sum for each day of such delay of the product of (i) the Federal Funds Rate divided by 360 and (ii) the value of the Shares not delivered as of such day; provided that if JPMorgan fails to deliver any Shares hereunder by the twenty-fifth (25th) Scheduled Trading Day immediately following the Nominal Settlement Date, such event shall constitute an Additional Termination Event with respect to the portion of this Transaction corresponding to the number of Shares not delivered by JPMorgan by such date, with respect to which JPMorgan shall be the sole Affected Party and this Transaction the sole Affected Transaction.

"Federal Funds Rate" means, for any day, the rate set forth for such day opposite the caption "Federal funds", as such rate is displayed on the page FedsOpen {Index}{GO} on the Bloomberg Professional Service or any successor page; provided that if no rate appears for any day on such page, the rate for the immediately preceding day for which a rate does so appear shall be used for such day.

(l) Damages. Neither party shall be liable under Section 6.10 of the Equity Definitions for special, indirect or consequential damages, even if informed of the possibility thereof.

(m) Early Unwind. In the event the sale of Convertible Notes is not consummated with the initial purchasers for any reason by the close of business in New York on March 13, 2006 (or such later date as agreed upon by the parties) (March 13, 2006 or such later date as agreed upon, being the "Early Unwind Date"), this Transaction shall automatically terminate (the "Early Unwind"), on the Early Unwind Date and (i) the Transaction and all of the respective rights and obligations of JPMorgan and the Counterparty under the Transaction shall be cancelled and terminated and (ii) each party shall be released and discharged by the other party from and agrees not to make any claim against the other party with respect to any obligations or liabilities of the other party arising out of and to be performed in connection with the Transaction either prior to or after the Early Unwind Date; provided that, if the failure to consummate the sale of the Convertible Notes results from a breach by the Counterparty of any representation of or any undertaking by the Counterparty contained in the Purchase Agreement, the Counterparty shall purchase from JPMorgan on the Early Unwind Date any Shares purchased by JPMorgan or one or more of its affiliates in connection with this Transaction and reimburse JPMorgan for any costs

or expenses (including market losses) relating to the unwinding of its reasonable hedging activities in connection with the Transaction (including any losses or costs incurred as a result of its terminating, liquidating, obtaining or reestablishing any reasonable hedge or related trading position). The amount of any such reimbursement shall be determined by JPMorgan in its reasonable good faith discretion. JPMorgan shall notify the Counterparty of such amount, including, upon the Counterparty's request, an explanation of the basis of determination of such amount, and the Counterparty shall pay such amount in immediately available funds on the Early Unwind Date. JPMorgan and the Counterparty represent and acknowledge to the other that, subject to the proviso included in this Section, upon an Early Unwind, all obligations with respect to the Transaction shall be deemed fully and finally discharged.

(n) Role of Agent. Each party agrees and acknowledges that (i) J.P. Morgan Securities Inc., an affiliate of JPMorgan ("JPMSI"), has acted solely as agent and not as principal with respect to this Transaction and (ii) JPMSI has no obligation or liability, by way of guaranty, endorsement or otherwise, in any manner in respect of this Transaction (including, if applicable, in respect of the settlement thereof). Each party agrees it will look solely to the other party (or any guarantor in respect thereof) for performance of such other party's obligations under this Transaction.

(o) Additional Provisions.

(i) Notwithstanding Section 9.7 of the Equity Definitions, everything in the first paragraph of Section 9.7(b) of the Equity Definitions after the words "Calculation Agent" in the third line through the remainder of such Section 9.7 shall be deleted and replaced with the following:

"based on an amount representing the Calculation Agent's determination of the fair value to Buyer of an option with terms that would preserve for Buyer the economic equivalent of any payment or delivery (assuming satisfaction of each applicable condition precedent, including, for the avoidance of doubt, the occurrence of a Conversion Date with respect to each Option) by the parties in respect of the relevant Transaction that would have been required after that date but for the occurrence of the Share De-listing."

(ii) Notwithstanding anything to the contrary in the Agreement, this Confirmation or the Equity Definitions, (A) in determining any amount payable in respect of an Early Termination Date or a Cancellation and Payment, the value of this Transaction shall be determined as if all Options outstanding at such time would become Exercisable Options during the Final Exercise Period and, (B) in no event shall the calculation of the amount under Section 6 of the Agreement in respect of an Additional Termination Event result in any amount being payable by the Counterparty.

(p) Alternative Calculations and Payment on Early Termination and on Certain Extraordinary Events. If, in respect of this Transaction, an amount is payable by JPMorgan to the Counterparty (i) pursuant to Section 9.7 of the Equity Definitions or this Confirmation (except in the event of a Merger Event in which the consideration to be paid to holders of Shares consists solely of cash) or (ii) pursuant to Section 6(d)(ii) of the Agreement (except in the event of an Event of Default in which the Counterparty is the Defaulting Party or a Termination Event in which the Counterparty is the Affected Party, other than an Event of Default of the type described in Section 5(a)(iii), (v), (vi), (vii) or (viii) of the Agreement or in this Confirmation or a Termination Event of the type described in Section 5(b)(i), (ii), (iii), (iv), (v) or (vi) of the Agreement or in this Confirmation, in each case resulting from an event or events outside the Counterparty's control) (a "Payment Obligation"), the Counterparty may, in its sole -- discretion, request that JPMorgan satisfy such Payment Obligation by the Share Termination Alternative (as defined below) and shall give irrevocable telephonic notice to JPMorgan, confirmed in writing within one Currency Business Day, no later than 12:00 p.m. New York City time

on the Merger Date, the date of the Share De-listing or the Early Termination Date, as applicable; provided that if the Counterparty does not validly request that JPMorgan satisfy its Payment Obligation by the Share Termination Alternative, JPMorgan shall have the right, in its sole discretion, to satisfy its Payment Obligation by the Share Termination Alternative, notwithstanding Counterparty's lack of election or election to the contrary. In calculating any amounts under Section 6(e) of the Agreement, notwithstanding anything to the contrary in the Agreement, (1) separate amounts shall be calculated as set forth in Section 6(e) with respect to (a) this Transaction and (b) all other Transactions, and (2) such separate amounts shall be payable pursuant to Section 6(d)(ii) of the Agreement, subject to, in the case of clause (1)(a), the Share Termination Alternative right hereunder.

Share Termination Alternative:	If applicable, JPMorgan shall deliver to the Counterparty the Share Termination Delivery Property on the date when the Payment Obligation would otherwise be due pursuant to Section 9.7 of the Equity Definitions, this Confirmation or Section 6(d)(ii) and 6(e) of the Agreement, as applicable (the "Share Termination Payment Date"), in satisfaction of the Payment Obligation in the manner reasonably requested by the Counterparty free of payment.
Share Termination Delivery Property:	A number of Share Termination Delivery Units, as calculated by the Calculation Agent, equal to the Payment Obligation divided by the Share Termination Unit Price. The Calculation Agent shall adjust the Share Termination Delivery Property by replacing any fractional portion of a security therein with an amount of cash equal to the value of such fractional security based on the values used to calculate the Share Termination Unit Price.
Share Termination Unit Price:	The value to JPMorgan of property contained in one Share Termination Delivery Unit on the date such Share Termination Delivery Units are to be delivered as Share Termination Delivery Property, as determined by the Calculation Agent in its discretion by commercially reasonable means and notified by the Calculation Agent to JPMorgan at the time of notification of the Payment Obligation.
Share Termination Delivery Unit:	One Share or, if a Merger Event has occurred and a corresponding adjustment to this Transaction has been made, a unit consisting of the number or amount of each type of property received by a holder of one Share (without consideration of any requirement to pay cash or other consideration in lieu of fractional amounts

	of any securities) in such Merger Event, as determined by the Calculation Agent.
Failure to Deliver:	Applicable
Other applicable provisions:	If the Share Termination Alternative is applicable, the provisions of Sections 6.6, 6.7, 6.8, 6.9 and 6.10 (as modified above) of the Equity Definitions will be applicable, except that all references in such provisions to "Physically-Settled" shall be read as references to "Share Termination Settled" and all references to "Shares" shall be read as references to "Share Termination Delivery Units". "Share Termination Settled" in relation to this Transaction means that the Share Termination Alternative is applicable to this Transaction.

(q) Governing Law. New York law (without reference to choice of law doctrine).

(r) Waiver of Jury Trial. Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any suit, action or proceeding relating to this Transaction. Each party (i) certifies that no representative, agent or attorney of the other party has represented, expressly or otherwise, that such other party would not, in the event of such a suit, action or proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other party have been induced to enter into this Transaction, as applicable, by, among other things, the mutual waivers and certifications provided herein.

(s) Registration. The Counterparty hereby agrees that if, in the good faith reasonable judgment of JPMorgan, based upon the advice of counsel, the Shares ("Hedge Shares") acquired by JPMorgan for the purpose of hedging its obligations pursuant to this Transaction cannot be sold in the U.S. public market by JPMorgan without registration under the Securities Act, the Counterparty shall, at its election, either (i) in order to allow JPMorgan to sell the Hedge Shares in a registered offering, make available to JPMorgan an effective registration statement under the Securities Act to cover the resale of such Hedge Shares and enter into an agreement, in form and substance reasonably satisfactory to JPMorgan, substantially in the form of an underwriting agreement for a registered offering; provided, however, that if JPMorgan, in its reasonable discretion, is not satisfied with access to due diligence materials, the results of its due diligence investigation, or the procedures and documentation for the registered offering referred to above, then clause (ii) or clause (iii) of this Section 9(s) shall apply at the election of the Counterparty, (ii) in order to allow JPMorgan to sell the Hedge Shares in a private placement, enter into a private placement agreement substantially similar to private placement purchase agreements customary for private placements of equity securities, in form and substance reasonably satisfactory to JPMorgan (in which case, the Calculation Agent shall make any adjustments to the terms of this Transaction that are necessary, in its reasonable judgment, to compensate JPMorgan for any discount from the public market price of the Shares incurred on the sale of Hedge Shares in a private placement), or (iii) purchase the Hedge Shares from JPMorgan at the Last Reported Sale Price on such Exchange Business Days, and in the amounts, requested by JPMorgan.

(t) Tax Advice. JPMorgan and its affiliates do not provide tax advice. Accordingly, any statements contained herein as to tax matters were neither written nor intended by JPMorgan to be used and cannot be used by any taxpayer for the purpose of avoiding tax

penalties that may be imposed on such taxpayer. If any person uses or refers to any such tax statement in promoting, marketing or recommending a partnership or other entity, investment plan or arrangement to any taxpayer, then the statement expressed above is being delivered to support the promotion or marketing of the transaction or matter addressed and the recipient should seek advice based on its particular circumstances from an independent tax advisor. Notwithstanding anything herein to the contrary, the sender and any intended recipient of this communication (and any of its employees, representatives and other agents) may disclose to any and all persons, without limitation of any kind, the tax treatment or tax structure of this transaction.

(u) No Setoff. Notwithstanding any provision of the Agreement or any other agreement between the parties to the contrary, obligations under this Transaction shall not be set off by JPMorgan (including, for the avoidance of doubt, pursuant to Section 6(f) of the Agreement) against any other obligations of the parties, whether arising under the Agreement, this Confirmation, under any other agreement between the parties hereto, by operation of law or otherwise.

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing this Confirmation and returning it in the manner indicated in the attached cover letter.

Very truly yours,

J.P. Morgan Securities Inc., as agent for
JPMorgan Chase Bank, National
Association

By: /s/ Sudheer Tegulapelle

Authorized Signatory
Name: Sudheer Tegulapelle

Accepted and confirmed
as of the Trade Date:

ALBANY INTERNATIONAL CORP.

By: /s/ David C. Michaels

Authorized Signatory
Name: David C. Michaels

Annex A

Form of Legal Opinion

Bank of America [LOGO]

EQUITY FINANCIAL PRODUCTS GROUP

Bank of America, N.A.
c/o Banc of America Securities LLC
9 West 57th Street, 40th Floor
New York, NY 10019

March 7, 2006

To: Albany International Corp.
1373 Broadway
Albany, New York 12204
Attention: Christopher J. Connally, Corporate Treasurer
Telephone No.: (518) 445-2212
Facsimile No.: (518) 447-6305

Re: Warrants
Ref. No.: NY-21552

The purpose of this letter agreement is to confirm the terms and conditions of the Warrants issued by Albany International Corp., a Delaware corporation (the "Company"), to Bank of America, N.A. ("BofA"), on the Trade Date specified below (the "Transaction"). This letter agreement constitutes a "Confirmation" as referred to in the ISDA Master Agreement specified below. This Confirmation shall replace any previous agreements and serve as the final documentation for this Transaction.

The definitions and provisions contained in the 1996 ISDA Equity Derivatives Definitions (the "Equity Definitions"), as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Confirmation. In the event of any inconsistency between the Equity Definitions and this Confirmation, this Confirmation shall govern. This Transaction shall be deemed to be a Share Option Transaction within the meaning set forth in the Equity Definitions.

Each party is hereby advised, and each such party acknowledges, that the other party has engaged in, or refrained from engaging in, substantial financial transactions and has taken other material actions in reliance upon the parties' entry into the Transaction to which this Confirmation relates on the terms and conditions set forth below.

1. This Confirmation evidences a complete and binding agreement between BofA and the Company as to the terms of the Transaction to which this Confirmation relates. This Confirmation shall supplement, form a part of, and be subject to an agreement in the form of the 2002 ISDA Master Agreement (the "Agreement") as if BofA and the Company had executed an agreement in such form (but without any Schedule except for the election of the laws of the State of New York as the governing law) on the Trade Date. In the event of any inconsistency between provisions of that Agreement and this Confirmation, this Confirmation will prevail for the purpose of the Transaction to which this Confirmation relates. The parties hereby agree that no Transaction other than the Transaction to which this Confirmation relates shall be governed by the Agreement.

2. The terms of the particular Transaction to which this Confirmation relates are as follows:

General Terms:

Trade Date:	March 7, 2006

Warrants:	Equity call warrants, each giving the holder the right to purchase one Share at the Strike Price, subject to the Settlement Terms set forth below. For the purposes of the Equity Definitions, each reference to a Warrant herein shall be deemed to be a reference to a Call Option.
Warrant Style:	American
Buyer:	BofA
Seller:	Company
Shares:	The Class A common stock of the Company, par value USD 0.001 per Share (Exchange

	symbol "AIN")
Number of Warrants:	1,374,662, subject to adjustment as provided herein
Daily Number of Warrants:	Subject to "Expiration Dates" below, for any day, the Number of Warrants that have not expired or been exercised as of such day, divided by the remaining number of Expiration Dates (including such day) and rounded down to the nearest whole number to account for any fractional Daily Number of Warrants.
Warrant Entitlement:	One Share per Warrant
Multiple Exercise:	Applicable
Minimum Number of Warrants:	1
Maximum Number of Warrants:	1,374,662
Strike Price:	USD 52.25
Premium:	USD 11,079,541.64
Premium Payment Date:	March 13, 2006
Exchange:	The New York Stock Exchange
Related Exchange(s):	The principal exchange(s) for options contracts or futures contracts, if any, with respect to the Shares.
Exercise and Valuation:	
Expiration Time:	The Valuation Time
Expiration Dates:	Each Exchange Business Day during the period beginning on and including the First Expiration Date and ending on and including the 59th Exchange Business Day following the First Expiration Date shall be an "Expiration Date" for a number of Warrants equal to the Daily Number of Warrants on such day.

	Notwithstanding the foregoing and anything to the contrary in the Equity Definitions, if a Market Disruption Event occurs on any Expiration Date (including the First Expiration Date), the Calculation Agent shall make adjustments to the Daily Number of Warrants for which such day shall be an Expiration Date and shall designate a scheduled Exchange Business Day or a number of scheduled Exchange Business Days as the Expiration Date(s) for the remaining Daily Number of Warrants or a portion thereof for the originally scheduled Expiration Date, with such adjustments based on, among other factors, the duration of any Market Disruption Event and the volume, historical trading patterns and price of the Shares; provided that if such Expiration Date has not occurred pursuant to this sentence as of the eighth (8th) Exchange Business Day following the last scheduled Expiration Date under this Transaction, such eighth (8th) Exchange Business Day shall be the final Expiration Date and the Calculation Agent shall determine its good faith estimate of the fair market value for the Shares as of the Valuation Time on that eighth Exchange Business Day.
First Expiration Date:	June 15, 2013 (or, if such day is not an Exchange Business Day, the next following Exchange Business Day), subject to Market Disruption Event below.
Automatic Exercise:	Applicable; and means that a number of Warrants for each Expiration Date equal to the Daily Number of Warrants (as adjusted pursuant to the terms hereof) for such Expiration Date will be deemed to be automatically exercised.
Market Disruption Event:	Section 4.3(a)(ii) is hereby amended by adding after the words "or Share Basket Transaction" in the first line thereof the phrase "a failure by the Exchange or Related Exchange to open for trading during its regular trading session or" and replacing the phrase "during the one-half hour period that ends at the relevant Valuation Time" with the phrase "at any time during the regular trading session on the Exchange or any Related Exchange, without regard to after hours or any other trading outside of the regular trading session hours".

Valuation applicable to each Warrant:

Valuation Time:	At the close of trading of the regular trading session on the Exchange.
Valuation Date:	Each Exercise Date.

Settlement Terms applicable to the Transaction:

Method of Settlement:	Net Share Settlement; provided that, with respect to all Warrants to be exercised on the Expiration Dates, Cash Settlement shall

	apply if the Company validly elects Cash Settlement pursuant to the provisions of "Cash Settlement Election" below.
Net Share Settlement:	On each Settlement Date, the Company shall deliver to BofA, the Share Delivery Quantity for such Settlement Date to the account specified herein free of payment through the Clearance System.
Share Delivery Quantity:	For each Settlement Date, (i) a number of Shares (rounded down to the nearest whole Share), as calculated by the Calculation Agent, equal to the sum of, for each Valuation Date that occurred in the calendar week immediately preceding such Settlement Date, the Settlement Amount for such Valuation Date divided by the Settlement Price on such Valuation Date, and (ii) cash in lieu of any fractional Share (based on the Settlement Price on the last Valuation Date during such week).
Settlement Amount:	For each Valuation Date, an amount equal to the product of (i) the number of Warrants exercised or deemed exercised on the relevant Exercise Date, (ii) the Strike Price Differential for such Valuation Date and (iii) the Warrant Entitlement.
Strike Price Differential:	(a) If the Settlement Price for any Valuation Date is greater than the Strike Price, an amount equal to the excess of such Settlement Price over the Strike Price; or (b) If such Settlement Price is less than or equal to the Strike Price, zero.
Settlement Price:	For any Valuation Date, the per Share volume-weighted average price as displayed under the heading "Bloomberg VWAP" on Bloomberg page AIN AQR (or any successor thereto) in respect of the period from 9:30 a.m. to 4:00 p.m. (New York City time) on such Valuation Date (or if such volume-weighted average price is unavailable, the market value of one Share on such Valuation Date, as determined by the Calculation Agent using a volume-weighted method).
Settlement Date:	The first Exchange Business Day of each calendar week shall be the Settlement Date in respect of each Valuation Date that occurred during the prior calendar week.
Cash Settlement Election:	Notwithstanding "Method of Settlement" above, with respect to all Warrants to be exercised on the Expiration Dates, the Company can elect Cash Settlement by delivering a written notice to BofA (the "Cash Settlement Notice") on or prior to the fifteenth (15th) scheduled Exchange Business Day immediately preceding the First Expiration Date, which Cash Settlement Notice shall contain: (i) a representation that (x) on the date of such Cash Settlement Notice, the Company is not in possession of any material non-

public information with respect to the Company or its Shares, (y) the Company is electing Cash Settlement in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5 under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and (z) the Company has not entered into or altered any hedging transaction relating to the Shares corresponding to or offsetting the Transaction;

(ii) a representation that the Company is not, on the date of such Cash Settlement Notice, and will not be, on any day during the period commencing on such day and ending on the second Exchange Business Day following the last Settlement Date hereunder (the "Settlement Period"), engaged in a distribution, as such term is used in Regulation M under the Exchange Act, other than a distribution meeting the requirements of the exception set forth in Rules 101(b)(10) and 102(b)(7) of Regulation M;

(iii) a representation that the Company is not electing Cash Settlement to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for the Shares) or to raise or depress or otherwise manipulate the price of the Shares (or any security convertible into or exchangeable for the Shares);

(iv) an acknowledgment by the Company that (A) any transaction in Shares by BofA following the Company's election of Cash Settlement shall be made at BofA's sole discretion and for BofA's own account and (B) the Company does not have, and shall not attempt to exercise, any influence over how, when, whether or at what price to effect such transactions, or whether such transactions are made on any securities exchange or privately; and

(v) an agreement by the Company that, during the Settlement Period, without the prior written consent of BofA, the Company shall not, and shall cause its affiliated purchasers (each as defined in Rule 10b-18 under the Exchange Act) not to, directly or indirectly (including, without limitation, by means of a derivative instrument), purchase, offer to purchase, place any bid or limit order that would effect a purchase of, or commence any tender offer relating to, any Shares or any security convertible into or exchangeable for the Shares in the public markets.

Cash Settlement: If Cash Settlement is applicable, on each Settlement Date, the Company shall deliver to BofA (to an account specified by BofA) the sum of the Settlement Amounts for each Valuation Date that occurred in the calendar week immediately preceding such Settlement Date.

The Company agrees that it shall not have the right to elect Cash Settlement if BofA notifies the Company that, it has determined

that in the good faith reasonable judgment of BofA, based upon advice of counsel and as a result of events occurring after the Trade Date, the election of Cash Settlement or any purchases of Shares that BofA (or its affiliates) might make in connection therewith would raise material risks under applicable securities laws.

Failure to Deliver: Inapplicable

Other Applicable Provisions: If Net Share Settlement applies, the provisions of Sections 6.6, 6.7, 6.8, 6.9 and 6.10 of the Equity Definitions will be applicable, except that all references in such provisions to "Physically-Settled" shall be read as references to "Net Share Settled". "Net Share Settled" in relation to any Warrant means that Net Share Settlement is applicable to that Warrant.

3. Additional Terms applicable to the Transaction:

Adjustments applicable to the Warrants:

Method of Adjustment: Calculation Agent Adjustment. For avoidance of doubt, in making any adjustments under the Equity Definitions, the Calculation Agent may adjust the Strike Price, the Number of Warrants, the Daily Number of Warrants and the Warrant Entitlement. Notwithstanding the foregoing, any cash dividends or distributions, whether or not extraordinary, shall be governed by Section 9(l) of this Confirmation and not by Section 9.1(c) of the Equity Definitions.

Extraordinary Events applicable to the Transaction:

Consequence of Merger Events

(a) Share-for-Share: Alternative Obligation; provided that the Calculation Agent will determine if the Merger Event affects the theoretical value of the Transaction and, if so, the Calculation Agent shall make adjustments to the Strike Price, the Number of Warrants, the Daily Number of Warrants and the Warrant Entitlement and any other term necessary to reflect the characteristics (including volatility, dividend practice, borrow cost, policy and liquidity) of the New Shares. Notwithstanding the foregoing, Cancellation and Payment shall apply in the event the New Shares are not publicly traded on a United States national securities exchange or quoted on the NASDAQ National Market (or any successor thereto).

(b) Share-for-Other: Cancellation and Payment

(c) Share-for-Combined: Alternative Obligation in respect of the portion of the consideration for the relevant Shares that consists of New Shares and subject to any adjustment described in the proviso contained in Share-for-Share above, and Cancellation and

	Payment in respect of the portion of the consideration for the relevant Shares that consists of Other Consideration. Notwithstanding the foregoing, Cancellation and Payment shall apply in the event the New Shares are not publicly traded on a United States national securities exchange or quoted on the NASDAQ National Market (or any successor thereto).
Nationalization or Insolvency:	Cancellation and Payment
4. Calculation Agent:	BofA. Whenever the Calculation Agent is required to act or to exercise judgment in any way, it will do so in good faith and in a commercially reasonable manner to achieve a commercially reasonable result. The Calculation Agent shall, not later than the third Currency Business Day following receipt of a written request of the Company, provide the Company with a written explanation of the basis of any determination, adjustment or calculation made hereunder; provided that if, after reviewing such written explanation, the Company objects to such determination, adjustment or calculation, then the Company, BofA and the Calculation Agent shall make reasonable good faith efforts to agree upon an appropriate determination, adjustment or calculation.

5. Account Details:

(a) Account for payments to the Company:

JPMorgan, New York
ABA: 021-000-021
Acct: CHASUS33
Acct No.: 910-1010-693

Account for delivery of Shares from the Company:

DTC 50108 (Computershare)
Note: the shares cannot be sent electronically.
They must be DWACed.

(b) Account for payments from/to BofA:

Bank of America, N.A.
San Francisco, CA
SWIFT: BOFAUS65
Bank Routing: 121-000-358
Account Name: Bank of America
Account No.: 12333-34172

Account for delivery of Shares to BofA:

DTC 0733
Acct Name: Bank of America NA
Acct #: 116-0077

6. Offices:

The Office of the Company for the Transaction is: Inapplicable, the Company is not a Multibranch Party.

The Office of BofA for the Transaction is: New York

Bank of America, N.A.
c/o Banc of America Securities LLC
9 West 57th Street, 40th Floor
New York, NY 10019

7. Notices: For purposes of this Confirmation:

(a) Address for notices or communications to the Company:

Albany International Corp.
1373 Broadway
Albany, New York 12204
Attention: Christopher J. Connally
Telephone No.: (518) 445-2235
Facsimile No.: (518) 447-6305

With a copy to:

Albany International Corp.
1373 Broadway
Albany, New York 12204
Attention: Charles J. Silva, Jr.
Telephone No.: (518) 445-2277
Facsimile No.: (518) 447-6575

(b) Address for notices or communications to BofA:

Bank of America, N.A.
c/o Banc of America Securities LLC
Equity Financial Products
Attention: Legal Department
9 West 57th Street, 40th Floor
New York, NY 10019
Facsimile No.: (212) 326-8610

8. Representations and Warranties of the Company

The representations and warranties of the Company set forth in Section 4 of the Purchase Agreement (the "Purchase Agreement") dated as of the Trade Date and relating to the issuance of USD 150,000,000 principal amount of 2.25% Convertible Senior Notes due 2026, (the "Convertible Notes") between the Company and J.P. Morgan Securities Inc. and Banc of America Securities LLC as Initial Purchasers are true and correct and are hereby deemed to be repeated to BofA as if set forth herein. The Company hereby further represents and warrants to BofA that:

(a) The Company has all necessary corporate power and authority to execute, deliver and perform its obligations in respect of this Transaction; such execution, delivery and performance have been duly authorized by all necessary corporate action on the Company's part; and this Confirmation has been duly and validly executed and delivered by the Company and constitutes its valid and binding obligation, enforceable against the Company in accordance with its terms, subject to

applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity) and except that rights to indemnification and contribution hereunder may be limited by federal or state securities laws or public policy relating thereto.

(b) Neither the execution and delivery of this Confirmation nor the incurrence or performance of obligations of the Company hereunder will conflict with or result in a breach of the certificate of incorporation or by-laws (or any equivalent documents) of the Company, or any applicable law or regulation, or any order, writ, injunction or decree of any court or governmental authority or agency, or any agreement or instrument to which the Company or any of its Significant Subsidiaries is a party or by which the Company or any of its Significant Subsidiaries is bound or to which the Company or any of its Significant Subsidiaries is subject, or constitute a default under, or result in the creation of any lien under, any such agreement or instrument, or breach or constitute a default under any agreements and contracts of the Company and its Significant Subsidiaries filed as exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 2004, as updated by any subsequent filings.

(c) No consent, approval, authorization, or order of, or filing with, any governmental agency or body or any court is required in connection with the execution, delivery or performance by the Company of this Confirmation, except such as have been obtained or made and such as may be required under the Securities Act of 1933, as amended (the "Securities Act") or state securities laws.

(d) The Shares of the Company initially issuable upon exercise of the Warrant by the net share settlement method (the "Warrant Shares") have been reserved for issuance by all required corporate action of the Company. The Warrant Shares have been duly authorized and, when delivered against payment therefor (which may include Net Share Settlement in lieu of cash) and otherwise as contemplated by the terms of the Warrant following the exercise of the Warrant in accordance with the terms and conditions of the Warrant, will be validly issued, fully-paid and non-assessable, and the issuance of the Warrant Shares will not be subject to any preemptive or similar rights.

(e) The Company is an "eligible contract participant" (as such term is defined in Section 1a(12) of the Commodity Exchange Act, as amended (the "CEA") because one or more of the following is true:

The Company is a corporation, partnership, proprietorship, organization, trust or other entity and:

(A) the Company has total assets in excess of USD 10,000,000;

(B) the obligations of the Company hereunder are guaranteed, or otherwise supported by a letter of credit or keepwell, support or other agreement, by an entity of the type described in Section 1a(12)(A)(i) through (iv), 1a(12)(A)(v)(I), 1a(12)(A)(vii) or 1a(12)(C) of the CEA; or

(C) the Company has a net worth in excess of USD 1,000,000 and has entered into this Agreement in connection with the conduct of the Company's business or to manage the risk associated with an asset or liability owned or incurred or reasonably likely to be owned or incurred by the Company in the conduct of the Company's business.

(f) The Company is not, on the date hereof, in possession of any material non-public information with respect to the Company.

9. Other Provisions:

(a) Opinions. The Company shall deliver to BofA an opinion of counsel, dated as of the Trade Date, substantially in the form set forth in Exhibit A hereto.

(b) Amendment. If the Initial Purchasers party to the Purchase Agreement exercise their right to purchase additional Convertible Notes as set forth therein, then, at the discretion of the Company, BofA and the Company will amend this Confirmation to provide for such increase in Convertible Notes (but on pricing terms acceptable to BofA and the Company) (such amendment to provide for the payment by BofA to the Company of the additional premium related thereto).

(c) No Reliance, etc. Each party represents that (i) it is entering into the Transaction evidenced hereby as principal (and not as agent or in any other capacity); (ii) neither the other party nor any of its agents are acting as a fiduciary for it; (iii) it is not relying upon any representations except those expressly set forth in the Agreement or this Confirmation; (iv) it has not relied on the other party for any legal, regulatory, tax, business, investment, financial, and accounting advice, and it has made its own investment, hedging, and trading decisions based upon its own judgment and not upon any view expressed by the other party or any of its agents; and (v) it is entering into this Transaction with a full understanding of the terms, conditions and risks thereof and it is capable of and willing to assume those risks.

(d) Share De-listing Event. If at any time during the period from and including the Trade Date, to and including the final Expiration Date, the Shares cease to be listed or quoted on the Exchange for any reason (other than a Merger Event as a result of which the shares of common stock underlying the Warrants are listed or quoted on The New York Stock Exchange, The American Stock Exchange or the NASDAQ National Market (or their respective successors) (the "Successor Exchange")) and are not immediately re-listed or quoted as of the date of such de-listing on the Successor Exchange (a "Share De-listing"), then Cancellation and Payment (as defined in Section 9.6 of the Equity Definitions, treating the "Announcement Date" as the date of first public announcement that the Share De-listing will occur and the "Merger Date" as the date of the Share De-listing) shall apply, and the date of the de-listing shall be deemed the date of termination for purposes of calculating any payment due from one party to the other in connection with the cancellation of this Transaction. If the Shares are immediately re-listed on a Successor Exchange upon their de-listing from the Exchange, this Transaction shall continue in full force and effect, provided that the Successor Exchange shall be deemed to be the Exchange for all purposes hereunder, provided that the Calculation Agent may make appropriate adjustments to the terms of this Transaction to reflect the effect of such re-listing. For the avoidance of doubt, in no event will a Share De-listing result in an obligation of BofA under this Confirmation to make a payment to the Company.

(e) Repurchase Notices. The Company shall, on any day on which the Company effects any repurchase of Shares, promptly give BofA a written notice of such repurchase (a "Repurchase Notice") on such day if following such repurchase, the number of outstanding Shares on such day, subject to any adjustments provided herein, is (i) less than 25 million (in the case of the first such notice) or (ii) thereafter, more than 125,000 less than the number of Shares included in the immediately preceding Repurchase Notice. The Company agrees to indemnify and hold harmless BofA and its affiliates and their respective officers, directors, employees, affiliates, advisors, agents and controlling persons (each, an "Indemnified Person") from and against any and all losses (including losses relating to BofA's reasonable hedging activities as a consequence of

becoming, or of the risk of becoming, a Section 16 "insider", including without limitation, any forbearance from reasonable hedging activities or cessation of such hedging activities and any losses in connection therewith with respect to this Transaction), claims, damages, judgments, liabilities and expenses (including reasonable attorney's fees), joint or several, which an Indemnified Person actually may become subject to, as a result of the Company's failure to provide BofA with a Repurchase Notice on the day and in the manner specified in this Section 9(e), and to reimburse, within 30 days, upon written request, each of such Indemnified Persons for any reasonable legal or other expenses incurred in connection with investigating, preparing for, providing testimony or other evidence in connection with or defending any of the foregoing. If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against the Indemnified Person, such Indemnified Person shall promptly notify the Company in writing, and the Company, upon request of the Indemnified Person, shall retain counsel reasonably satisfactory to the Indemnified Person to represent the Indemnified Person and any others the Company may designate in such proceeding and shall pay the fees and expenses of such counsel related to such proceeding. The Company shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Company agrees to indemnify any Indemnified Person from and against any loss or liability by reason of such settlement or judgment. The Company shall not, without the prior written consent of the Indemnified Person, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is or could have been a party and indemnity could have been sought hereunder by such Indemnified Person, unless such settlement includes an unconditional release of such Indemnified Person from all liability on claims that are the subject matter of such proceeding on terms reasonably satisfactory to such Indemnified Person. If the indemnification provided for in this paragraph (e) is unavailable to an Indemnified Person or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then the Company under such paragraph, in lieu of indemnifying such Indemnified Person thereunder, shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages or liabilities. The remedies provided for in this paragraph (e) are not exclusive and shall not limit any rights or remedies which may otherwise be available to any Indemnified Person at law or in equity. The indemnity and contribution agreements contained in this paragraph (e) shall remain operative and in full force and effect regardless of the termination of this Transaction.

(f) Regulation M. The Company was not on the Trade Date and is not on the date hereof engaged in a distribution, as such term is used in Regulation M under the Exchange Act, of any securities of the Company, other than a distribution meeting the requirements of the exception set forth in Rules 101(b)(10) and 102(b)(7) of Regulation M. The Company shall not, until the second Exchange Business Day immediately following the Trade Date, engage in any such distribution.

(g) No Manipulation. The Company is not entering into this Transaction to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for the Shares) or to raise or depress or otherwise manipulate the price of the Shares (or any security convertible into or exchangeable for the Shares).

(h) Board Authorization. The Company represents that it is entering into the Transaction, solely for the purposes stated in the board resolution authorizing this Transaction and in its public disclosure. The Company further represents that there is no internal policy, whether written or oral, of the Company that would prohibit the Company from entering into any aspect of this Transaction, including, but not limited to, the issuance of Shares pursuant hereto.

(i) Transfer or Assignment. (i) The Company may not transfer any of its rights or obligations under this Transaction without the prior written consent of BofA. BofA may transfer or assign all or any

portion of its rights or obligations under this Transaction in compliance with applicable laws without consent of the Company. In addition, if BofA's "beneficial ownership" (within the meaning of Section 16 of the Exchange Act and rules promulgated thereunder) exceeds 8% of the Company's outstanding shares, or the product of the Number of Warrants and the Warrant Entitlement divided by the total number of the Company's outstanding Shares (the "Warrant Equity Percentage") exceeds 15% and if, in the good faith, reasonable judgment of BofA based upon advice of counsel and as a result of events occurring after the Trade Date, BofA reasonably determines that it would be inadvisable to engage in alternative hedging transactions which would enable it to reduce its "beneficial ownership" or the Warrants Equity Percentage other than by transfer, assignment or termination, and BofA reasonably determines that it is unable after making commercially reasonable efforts to effect transfer or assignment on pricing terms and in a time period reasonably acceptable to BofA that would reduce its "beneficial ownership" to 7.5% or such Warrant Equity Percentage to 14.5%, respectively, BofA may designate any Exchange Business Day as an Early Termination Date with respect to a portion (the "Terminated Portion") of this Transaction, such that its "beneficial ownership" following such partial termination would be approximately equal to but less than 7.5% or the Warrant Equity Percentage approximately equal to 14.5%, as applicable.

(ii) If BofA so designates an Early Termination Date with respect to a portion of this Transaction, (i) a payment shall be made pursuant to Section 6 of the Agreement as if an Early Termination Date occurred in respect of a Transaction having terms identical to this Transaction and a Number of Warrants equal to the Terminated Portion, (ii) the Company shall be the sole Affected Party with respect to such partial termination and (iii) such Transaction shall be the only Terminated Transaction. For the avoidance of doubt, if BofA assigns or terminates any Warrants hereunder, each Daily Number of Warrants not previously settled hereunder shall be reduced proportionately, as calculated by the Calculation Agent.

(iii) Notwithstanding any other provision in this Confirmation to the contrary requiring or allowing BofA to purchase, sell, receive or deliver any Shares or other securities to or from the Company, BofA may designate any of its affiliates to purchase, sell, receive or deliver such Shares or other securities and otherwise to perform BofA's obligations in respect of this Transaction and any such designee may assume such obligations. BofA shall be discharged of its obligations to the Company only to the extent of any such performance.

(j) Damages. Neither party shall be liable under Section 6.10 of the Equity Definitions for special, indirect or consequential damages, even if informed of the possibility thereof.

(k) Early Unwind. In the event the sale of Convertible Notes is not consummated with the initial purchasers for any reason by the close of business in New York on March 13, 2006 (or such later date as agreed upon by the parties) (March 13, 2006 or such later date as agreed upon being the "Early Unwind Date"), this Transaction shall automatically terminate (the "Early Unwind"), on the Early Unwind Date and (i) the Transaction and all of the respective rights and obligations of BofA and the Company under the Transaction shall be cancelled and terminated and (ii) each party shall be released and discharged by the other party from and agrees not to make any claim against the other party with respect to any obligations or liabilities of the other party arising out of and to be performed in connection with the Transaction either prior to or after the Early Unwind Date; provided that, if the failure to consummate the sale of the Convertible Notes results from a breach by the Company of any representation of or any undertaking by the Company contained in the Purchase Agreement, the Company shall purchase from BofA on the Early Unwind Date any Shares purchased by BofA or one or more of its affiliates in connection with this Transaction and reimburse BofA for any costs or expenses (including market losses) relating to the unwinding of its reasonable hedging activities in connection with the Transaction (including any losses or costs

incurred as a result of its terminating, liquidating, obtaining or reestablishing any reasonable hedge or related trading position). The amount of any such reimbursement shall be determined by BofA in its reasonable good faith discretion. BofA shall notify the Company of such amount, including, upon the Company's request, an explanation of the basis of determination of such amount, and the Company shall pay such amount in immediately available funds on the Early Unwind Date. BofA and the Company represent and acknowledge to the other that, subject to the proviso included in this Section, upon an Early Unwind, all obligations with respect to the Transaction shall be deemed fully and finally discharged.

(l) Dividends. If at any time during the period from and including the Trade Date, to but excluding the Expiration Date, an ex-dividend date for a cash dividend occurs with respect to the Shares (an "Ex-Dividend Date"), and that dividend is different from the Regular Dividend on a per Share basis then the Calculation Agent will, in its reasonable discretion, adjust the Strike Price, the Number of Warrants, the Daily Number of Warrants and the Warrant Entitlement to preserve the fair value of the Warrant to BofA after taking into account such dividend. "Regular Dividend" shall mean USD 0.09 per Share per quarter.

(m) Role of Agent. Each party agrees and acknowledges that (i) Banc of America Securities LLC ("BASL"), has acted solely as agent and not as principal with respect to this Transaction and (ii) BASL has no obligation or liability, by way of guaranty, endorsement or otherwise, in any manner in respect of this Transaction (including, if applicable, in respect of the settlement thereof). Each party agrees it will look solely to the other party (or any guarantor in respect thereof) for performance of such other party's obligations under this Transaction.

(n) Additional Provisions.

(i) Notwithstanding Section 9.7 of the Equity Definitions, everything in the first paragraph of Section 9.7(b) of the Equity Definitions after the words "Calculation Agent" in the third line through the remainder of such Section 9.7 shall be deleted and replaced with the following:

"based on an amount representing the Calculation Agent's determination of the fair value to Buyer of an option with terms that would preserve for Buyer the economic equivalent of any payment or delivery (assuming satisfaction of each applicable condition precedent) by the parties in respect of the relevant Transaction that would have been required after that date but for the occurrence of the Merger Event, Nationalization, Insolvency or Share De-listing as the case may be."

(ii) Sections 12.8 and 12.9 of the 2002 ISDA Equity Derivatives Definitions shall apply to this Transaction and, for the purposes of such sections, "Hedging Disruption", "Increased Cost of Hedging" and "Loss of Stock Borrow" shall be "Applicable" and, in each case, BofA shall be the Hedging Party and the Determining Party. With respect to the Loss of Stock Borrow, the "Maximum Stock Loan Rate" shall mean the Federal Funds Rate, as determined by the Calculation Agent, minus 50 basis points.

"Federal Funds Rate" means, for any day, the rate set forth for such day opposite the caption "Federal funds", as such rate is displayed on the page FedsOpen on the Bloomberg Professional Service or any successor page; provided that if no rate appears for any day on such page, the rate for the immediately preceding day for which a rate does so appear shall be used for such day.

(o) No Collateral or Setoff. Notwithstanding any provision of the Agreement or any other agreement between the parties to the contrary, the obligations of the Company hereunder are not secured by any collateral. Obligations under this Transaction shall not be set off by the Company (including,

for the avoidance of doubt, pursuant to Section 6(f) of the Agreement) against any other obligations of the parties, whether arising under the Agreement, this Confirmation, under any other agreement between the parties hereto, by operation of law or otherwise. Any provision in the Agreement with respect to the satisfaction of the Company's payment obligations to the extent of BofA's payment obligations to the Company in the same currency and in the same Transaction (including, without limitation Section 2(c) thereof) shall not apply to the Company and, for the avoidance of doubt, the Company shall fully satisfy such payment obligations notwithstanding any payment obligation to the Company by BofA in the same currency and in the same Transaction. In calculating any amounts under Section 6(e) of the Agreement, notwithstanding anything to the contrary in the Agreement, (1) separate amounts shall be calculated as set forth in such Section 6(e) with respect to (a) this Transaction and (b) all other Transactions, and (2) such separate amounts shall be payable pursuant to Section 6(d)(ii) of the Agreement, subject to the Share Termination Alternative.

(p) Alternative Calculations and Payment on Early Termination and on Certain Extraordinary Events. If, in respect of this Transaction, an amount is payable by the Company to BofA, (i) pursuant to Section 9.7 of the Equity Definitions (except in the event of a Nationalization or Insolvency or a Merger Event, in each case, in which the consideration to be paid to holders of Shares consists solely of cash) or (ii) pursuant to Section 6(d)(ii) of the Agreement (except in the event of an Event of Default in which the Company is the Defaulting Party or a Termination Event in which the Company is the Affected Party, other than an Event of Default of the type described in Section 5(a)(iii), (v), (vi), (vii) or (viii) of the Agreement or in this Confirmation or a Termination Event of the type described in Section 5(b)(i), (ii), (iii), (iv), (v) or (vi) of the Agreement or this Confirmation in each case resulting from an event or events outside the Company's control) (a "Payment Obligation"), the Company may, in its sole discretion, satisfy any such Payment Obligation by the Share Termination Alternative (as defined below) and shall give irrevocable telephonic notice to BofA, confirmed in writing within one Currency Business Day, no later than 12:00 p.m. New York local time on the Merger Date, the date of the occurrence of the Nationalization or Insolvency, the date of the Share De-listing or the Early Termination Date, as applicable. In calculating any amounts under Section 6(e) of the Agreement, notwithstanding anything to the contrary in the Agreement, (1) separate amounts shall be calculated as set forth in Section 6(e) with respect to (a) this Transaction and (b) any other Transactions under the Agreement, and (2) such separate amounts shall be payable pursuant to Section 6(d)(ii) of the Agreement, subject to, in the case of clause (1)(a), the Company's Share Termination Alternative right hereunder.

Share Termination Alternative:	If applicable, the Company shall deliver to BofA the Share Termination Delivery Property on the date when the Payment Obligation would otherwise be due, subject to Section 9(q) below, pursuant to Section 9.7 of the Equity Definitions, this Confirmation, or Section 6(d)(ii) and 6(e) of the Agreement, as applicable (the "Share Termination Payment Date"), in satisfaction, of the Payment Obligation in the manner reasonably requested by BofA free of payment.
Share Termination Delivery Property:	A number of Share Termination Delivery Units, as calculated by the Calculation Agent, equal to the Payment Obligation divided by the Share Termination Unit Price. The Calculation Agent shall adjust the Share Termination Delivery Property by

	replacing any fractional portion of a security therein with an amount of cash equal to the value of such fractional security based on the values used to calculate the Share Termination Unit Price.
Share Termination Unit Price:	The value to BofA of property contained in one Share Termination Delivery Unit on the date such Share Termination Delivery Units are to be delivered as Share Termination Delivery Property, as determined by the Calculation Agent in its discretion by commercially reasonable means and notified by the Calculation Agent to the Company at the time of notification of the Payment Obligation. In the case of a Private Placement Settlement of Share Termination Delivery Units that are Restricted Shares (as defined below) as set forth in paragraph (q)(i) below, the Share Termination Unit Price shall be determined by the discounted price applicable to such Share Termination Delivery Units. In the case of a Registered Settlement of Share Termination Delivery Units that are Restricted Shares (as defined below) as set forth in paragraph (q)(ii) below, the Share Termination Unit Price shall be the Settlement Price on the Merger Date, the date of the occurrence of the Nationalization or Insolvency, the date of the Share De-listing or the Early Termination Date, as applicable.
Share Termination Delivery Unit:	In the case of a Share De-listing, Termination Event or Event of Default, one Share or, in the case of Nationalization or Insolvency or a Merger Event, a unit consisting of the number or amount of each type of property received by a holder of one Share (without consideration of any requirement to pay cash or other consideration in lieu of fractional amounts of any securities) in such Nationalization or Insolvency or such Merger Event. If such Merger Event involves a choice of consideration to be received by holders, such holder shall be deemed to have elected to receive the maximum possible amount of cash.
Failure to Deliver:	Inapplicable
Other applicable provisions:	If the Share Termination Alternative is applicable, the provisions of Sections 6.6, 6.7, 6.8, 6.9 and 6.10 (as modified above) of the Equity Definitions will be applicable, except that all references in such provisions to "Physically-Settled" shall be read as references to "Share Termination Settled" and all references to "Shares" shall be read as references to "Share Termination Delivery Units". "Share

Termination Settled" in relation to this Transaction means that the Share Termination Alternative is applicable to this Transaction.

(q) Registration/Private Placement Procedures. If, in the reasonable opinion of BofA, based on the advice of counsel, following any delivery of Shares or Share Termination Delivery Property to BofA hereunder, such Shares or Share Termination Delivery Property would be in the hands of BofA subject to any applicable restrictions with respect to any registration or qualification requirement or prospectus delivery requirement for such Shares or Share Termination Delivery Property pursuant to any applicable federal or state securities law (including, without limitation, any such requirement arising under Section 5 of the Securities Act as a result of such Shares or Share Termination Delivery Property being "restricted securities", as such term is defined in Rule 144 under the Securities Act, or as a result of the sale of such Shares or Share Termination Delivery Property being subject to paragraph (c) of Rule 145 under the Securities Act) (such Shares or Share Termination Delivery Property, "Restricted Shares"), then delivery of such Restricted Shares shall be effected pursuant to either clause (i) or (ii) below at the election of the Company, unless waived by BofA. Notwithstanding the foregoing, solely in respect of any Warrants exercised or deemed exercised on any Expiration Date, (x) BofA shall use reasonable efforts to give notice to the Company no later than twenty (20) Exchange Business Days prior to the First Expiration Date if it believes at such time that this Section 9(q) would be applicable to Shares or Share Termination Delivery Property to be delivered in connection with any Expiration Date and (y) to the extent Net Share Settlement applies, the Company shall elect, prior to the first Settlement Date for the first Expiration Date, a Private Placement Settlement or Registered Settlement for all deliveries of Restricted Shares for all such Expiration Dates which election shall be applicable to all Settlement Dates for such Daily Number of Warrants and the procedures in clause (i) or clause (ii) below shall apply for all such delivered Restricted Shares on an aggregate basis commencing after the final Settlement Date for such Daily Number of Warrants. The Calculation Agent shall make reasonable adjustments to settlement terms and provisions under this Confirmation to reflect a single Private Placement Settlement or Registered Settlement for such aggregate Restricted Shares delivered hereunder.

(i) If the Company elects to settle the Transaction pursuant to this clause (i) (a "Private Placement Settlement"), then delivery of Restricted Shares by the Company shall be effected in customary private placement procedures with respect to such Restricted Shares reasonably acceptable to BofA; provided that the Company may not elect a Private Placement Settlement if, on the date of its election, it has taken, or caused to be taken, any action that would make unavailable either the exemption pursuant to Section 4(2) of the Securities Act for the sale by the Company to BofA (or any affiliate designated by BofA) of the Restricted Shares or the exemption pursuant to Section 4(1) or Section 4(3) of the Securities Act for resales of the Restricted Shares by BofA (or any such affiliate of BofA). The Private Placement Settlement of such Restricted Shares shall include customary representations, covenants, blue sky and other governmental filings and/or registrations, indemnities to BofA, due diligence rights (for BofA or any designated buyer of the Restricted Shares by BofA), opinions and certificates, and such other documentation as is customary for private placement agreements, all reasonably acceptable to BofA. In the case of a Private Placement Settlement, BofA shall determine the appropriate discount to the Share Termination Unit Price (in the case of settlement of Share Termination Delivery Units pursuant to paragraph (p) above) or any Settlement Price (in the case of settlement of Shares pursuant to Section 2 above) applicable to such Restricted Shares in a commercially reasonable manner and appropriately adjust the amount of such Restricted Shares to be delivered to BofA hereunder; provided that in no event shall such number be greater than 5,498,648 (the "Maximum Amount").

Notwithstanding the Agreement or this Confirmation, the date of delivery of such Restricted Shares (the "Due Date") shall be the Exchange Business Day following notice by BofA to the Company, of such applicable discount and the number of Restricted Shares to be delivered pursuant to this clause (i). For the avoidance of doubt, delivery of Restricted Shares shall be due as set forth in the previous sentence and not be due on the Share Termination Payment Date (in the case of settlement of Share Termination Delivery Units pursuant to paragraph (p) above) or on the Settlement Date for such Restricted Shares (in the case of settlement of Shares pursuant to Section 2 above).

In the event the Company shall not have delivered the full number of Restricted Shares otherwise applicable as a result of the proviso above relating to the Maximum Amount (such deficit, the "Deficit Restricted Shares"), the Company shall be continually obligated to deliver, from time to time until the full number of Deficit Restricted Shares have been delivered pursuant to this paragraph, Restricted Shares when, and to the extent, that (i) Shares are repurchased, acquired or otherwise received by the Company or any of its subsidiaries after the Trade Date (whether or not in exchange for cash, fair value or any other consideration), (ii) authorized and unissued Shares reserved for issuance in respect of other transactions prior to such date which prior to the relevant date become no longer so reserved and (iii) the Company additionally authorizes and unissued Shares that are not reserved for other transactions. The Company shall immediately notify BofA of the occurrence of any of the foregoing events (including the number of Shares subject to clause (i), (ii) or (iii) and the corresponding number of Restricted Shares to be delivered) and promptly deliver such Restricted Shares thereafter.

In the event of a Private Placement, the Net Share Settlement Amount or the Payment Obligation, respectively, shall be deemed to be the Net Share Settlement Amount or the Payment Obligation, respectively, plus an additional amount (determined from time to time by the Calculation Agent in its commercially reasonable judgment) attributable to interest that would be earned on such Net Share Settlement Amount or the Payment Obligation, respectively, (increased on a daily basis to reflect the accrual of such interest and reduced from time to time by the amount of net proceeds received by BofA as provided herein) at a rate equal to the open Federal Funds Rate plus the Spread for the period from, and including, such Settlement Date or the date on which the Payment Obligation is due, respectively, to, but excluding, the Due Date, calculated on an Actual/360 basis. The foregoing provision shall be without prejudice to BofA's rights under the Agreement (including, without limitation, Sections 5 and 6 thereof).

As used in this Section 9(p)(i), "Spread" means, with respect to any Net Share Settlement Amount or Payment Obligation, respectively, the credit spread over the applicable overnight rate that would be imposed if BofA were to extend credit to the Company in an amount equal to such Net Share Settlement Amount, all as determined by the Calculation Agent using its commercially reasonable judgment as of the related Settlement Date or Due Date, respectively. Commercial reasonableness shall take into consideration all factors deemed relevant by the Calculation Agent, which are expected to include, among other things, the credit quality of the Company (and any relevant affiliates) in the then-prevailing market and the credit spread of similar companies in the relevant industry and other companies having a substantially similar credit quality.

(ii) If the Company elects to settle the Transaction pursuant to this clause (ii) (a "Registration Settlement"), then the Company shall promptly (but in any event no later than the beginning of the Resale Period) file and use its reasonable best efforts to make effective under the Securities Act a registration statement or supplement or amend an

outstanding registration statement in form and substance reasonably satisfactory to BofA, to cover the resale of such Restricted Shares in accordance with customary resale registration procedures, including covenants, conditions, representations, underwriting discounts (if applicable), commissions (if applicable), indemnities due diligence rights, opinions and certificates, and such other documentation as is customary for equity resale underwriting agreements, all reasonably acceptable to BofA. If BofA, in its reasonable discretion, is not satisfied with such procedures and documentation, Private Placement Settlement shall apply. If BofA is satisfied with such procedures and documentation, it shall sell the Restricted Shares pursuant to such registration statement during a period (the "Resale Period") commencing on (x) the Share Termination Payment Date in case of settlement of Share Termination Delivery Units pursuant to paragraph (p) above or (y) the Settlement Date in respect of the final Expiration Date for all Daily Number of Warrants and ending on the earliest of (i) the Exchange Business Day on which BofA completes the sale of all Restricted Shares or a sufficient number of Restricted Shares so that the realized net proceeds of such sales exceed the Payment Obligation (as defined above), (ii) the date upon which all Restricted Shares have been sold or transferred pursuant to Rule 144 (or similar provisions then in force) or Rule 145(d)(1) or (2) (or any similar provision then in force) under the Securities Act and (iii) the date upon which all Restricted Shares may be sold or transferred by a non-affiliate pursuant to Rule 144(k) (or any similar provision then in force) or Rule 145(d)(3) (or any similar provision then in force) under the Securities Act. If the Payment Obligation exceeds the realized net proceeds from such resale, the Company shall transfer to BofA by the open of the regular trading session on the Exchange on the Exchange Trading Day immediately following the last day of the Resale Period the amount of such excess (the "Additional Amount") in cash or in a number of Restricted Shares ("Make-whole Shares") in an amount that, based on the Settlement Price on the last day of the Resale Period (as if such day was the "Valuation Date" for purposes of computing such Settlement Price), has a dollar value equal to the Additional Amount. The Resale Period shall continue to enable the sale of the Make-whole Shares. If the Company elects to pay the Additional Amount in Restricted Shares, the requirements and provisions for Registration Settlement shall apply. This provision shall be applied successively until the Additional Amount is equal to zero. In no event shall the Company deliver a number of Restricted Shares greater than the Maximum Amount. Once the realized net proceeds of such sales exceed the Payment Obligation, BofA shall return to the Company any excess proceeds or remaining Restricted Shares.

(iii) Without limiting the generality of the foregoing, but subject to the last sentence of Section 9(s) below, the Company agrees that any Restricted Shares delivered to BofA, as purchaser of such Restricted Shares, (i) may be transferred by and among BofA and its affiliates in compliance with applicable law and the Company shall effect such transfer without any further action by BofA and (ii) after the minimum "holding period" within the meaning of Rule 144(d) under the Securities Act has elapsed after any Settlement Date for such Restricted Shares, the Company shall promptly remove, or cause the transfer agent for such Restricted Shares to remove, any legends referring to any such restrictions or requirements from such Restricted Shares upon delivery by BofA (or such affiliate of BofA) to the Company or such transfer agent of seller's and broker's representation letters customarily delivered by BofA in connection with resales of restricted securities pursuant to Rule 144 under the Securities Act, without any further requirement for the delivery of any certificate, consent, agreement, opinion of counsel, notice or any other document, any transfer tax stamps or payment of any other amount or any other action by BofA (or such affiliate of BofA).

If the Private Placement Settlement or the Registration Settlement shall not be effected as set forth in clauses (i) or (ii), as applicable, then failure to effect such Private Placement Settlement or such Registration Settlement shall constitute an Event of Default with respect to which the Company shall be the Defaulting Party.

(r) Limit on Beneficial Ownership. Notwithstanding any other provisions hereof, BofA may not exercise any Warrant hereunder or receive any Shares as a result of such exercise, and Automatic Exercise shall not apply with respect thereto, to the extent (but only to the extent) that such exercise or receipt would result in BofA directly or indirectly beneficially owning (as such term is defined for purposes of Section 13(d) of the Exchange Act) at any time in excess of 9.0% of the outstanding Shares. Any purported delivery hereunder shall be void and have no effect to the extent (but only to the extent) that such delivery would result in BofA directly or indirectly so beneficially owning in excess of 9.0% of the outstanding Shares. If any delivery owed to BofA hereunder is not made, in whole or in part, as a result of this provision, the Company's obligation to make such delivery shall not be extinguished and the Company shall make such delivery as promptly as practicable after, but in no event later than one Exchange Business Day after, BofA gives notice to the Company that such delivery would not result in BofA directly or indirectly so beneficially owning in excess of 9.0% of the outstanding Shares.

(s) Share Deliveries. The Company acknowledges and agrees that, to the extent the holder of this Warrant is not then an affiliate and has not been an affiliate for 90 days (it being understood that BofA will not be considered an affiliate under this Section 9(s) solely by reason of its receipt of Shares pursuant to this Transaction), and otherwise satisfies all holding period and other requirements of Rule 144 of the Securities Act applicable to it, any delivery of Shares or Share Termination Delivery Property hereunder at any time after two years from the Premium Payment Date shall be eligible for resale under Rule 144(k) of the Securities Act and the Company agrees to promptly remove, or cause the transfer agent for such Shares or Share Termination Delivery Property, to remove, any legends referring to any restrictions on resale under the Securities Act from the Shares or Share Termination Delivery Property. The Company further agrees, for any delivery of Shares or Share Termination Delivery Property hereunder at any time after one year from the Premium Payment Date but within two years of the Premium Payment Date, to the extent the holder of this Warrant then satisfies the holding period and other requirements of Rule 144 of the Securities Act, to promptly remove, or cause the transfer agent for such Shares or Share Termination Delivery Property to remove, any legends referring to any such restrictions or requirements from such Shares or Share Termination Delivery Property. Such Shares or Share Termination Delivery Property will be de-legended upon delivery by BofA (or such affiliate of BofA) to the Company or such transfer agent of customary seller's and broker's representation letters in connection with resales of restricted securities pursuant to Rule 144 of the Securities Act, without any further requirement for the delivery of any certificate, consent, agreement, opinion of counsel, notice or any other document, any transfer tax stamps or payment of any other amount or any other action by BofA (or such affiliate of BofA). The Company further agrees that any delivery of Shares or Share Termination Delivery Property prior to the date that is one year from the Premium Payment Date, may be transferred by and among BofA and its affiliates in compliance with applicable law and the Company shall effect such transfer without any further action by BofA. Notwithstanding anything to the contrary herein, to the extent the provisions of Rule 144 of the Securities Act or any successor rule are amended, or the applicable interpretation thereof by the Securities and Exchange Commission or any court change after the Trade Date, the agreements of the Company herein shall be deemed modified to the extent necessary, in the opinion of counsel of the Company, to comply with Rule 144 of the Securities Act, including Rule 144(k) as in effect at the time of delivery of the relevant Shares or Share Termination Delivery Property.

(t) Additional Termination Event. If within the period commencing on the Trade Date and ending on the second anniversary of the Trade Date, an event shall occur, as a result of which, based on the advice of counsel, BofA reasonably determines that it is advisable to terminate a portion of this Transaction to comply with applicable securities laws, rules or regulations, the occurrence of such event shall constitute an Additional Termination Event under the Agreement permitting BofA to terminate a portion of this Transaction in respect of which (1) the Company shall be the sole Affected Party and (2) this Transaction shall be the sole Affected Transaction; provided, however, that BofA shall have the right to effect such termination only to the extent reasonably necessary to comply with such laws, rules or regulations.

(u) Right to Extend. BofA may delay any Settlement Date or any other date of delivery by BofA, with respect to some or all of the Warrants hereunder, if BofA reasonably determines, in its discretion, that such extension is reasonably necessary to enable BofA to effect purchases of Shares in connection with its hedging activity hereunder in a manner that would be in compliance with applicable legal and regulatory requirements.

(v) Governing Law. New York law (without reference to choice of law doctrine).

(w) Waiver of Jury Trial. Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any suit, action or proceeding relating to this Transaction. Each party (i) certifies that no representative, agent or attorney of the other party has represented, expressly or otherwise, that such other party would not, in the event of such a suit, action or proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other party have been induced to enter into this Transaction, as applicable, by, among other things, the mutual waivers and certifications provided herein.

(x) Maximum Share Delivery. Notwithstanding any other provision of this Confirmation or the Agreement, in no event will the Company be required to deliver more than the Maximum Amount of Shares in the aggregate to BofA in connection with this Transaction, subject to the provisions regarding Deficit Restricted Shares.

(y) Status of Claims in Bankruptcy. BofA acknowledges and agrees that this confirmation is not intended to convey to BofA rights with respect to the transactions contemplated hereby that are senior to the claims of common stockholders in any U.S. bankruptcy proceedings of the Company; provided, however, that nothing herein shall limit or shall be deemed to limit BofA's right to pursue remedies in the event of a breach by the Company of its obligations and agreements with respect to this Confirmation and the Agreement; and provided, further, that nothing herein shall limit or shall be deemed to limit BofA's rights in respect of any transaction other than the Transaction.

(z) Tax Advice. BofA and its affiliates do not provide tax advice. Accordingly, any statements contained herein as to tax matters were neither written nor intended by BofA to be used and cannot be used by any taxpayer for the purpose of avoiding tax penalties that may be imposed on such taxpayer. If any person uses or refers to any such tax statement in promoting, marketing or recommending a partnership or other entity, investment plan or arrangement to any taxpayer, then the statement expressed above is being delivered to support the promotion or marketing of the transaction or matter addressed and the recipient should seek advice based on its particular circumstances from an independent tax advisor. Notwithstanding anything herein to the contrary, the sender and any intended recipient of this communication (and any of its employees, representatives and other agents) may disclose to any and all persons, without limitation of any kind, the tax treatment or tax structure of this transaction.

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing this Confirmation and returning it in the manner indicated in the attached cover letter.

Very truly yours,

Bank of America, N.A.

By: /s/ Eric P. Hambleton

Authorized Signatory
Name: Eric P. Hambleton

Accepted and confirmed
as of the Trade Date:

ALBANY INTERNATIONAL CORP.

By: /s/ David C. Michaels

Authorized Signatory
Name: David C. Michaels

Annex A

Form of Legal Opinion

JPMorgan [LOGO]

JPMorgan Chase Bank, N.A.
P.O. Box 161
60 Victoria Embankment
London EC4Y 0JP
England

March 7, 2006

To: Albany International Corp.
1373 Broadway
Albany, New York 12204
Attention: Christopher J. Connally, Corporate Treasurer
Telephone No.: (518) 445-2235
Facsimile No.: (518) 447-6305

Re: Warrants

The purpose of this letter agreement is to confirm the terms and conditions of the Warrants issued by Albany International Corp., a Delaware corporation (the "Company"), to JPMorgan Chase Bank, National Association, London Branch ("JPMorgan"), on the Trade Date specified below (the "Transaction"). This letter agreement constitutes a "Confirmation" as referred to in the ISDA Master Agreement specified below. This Confirmation shall replace any previous agreements and serve as the final documentation for this Transaction.

The definitions and provisions contained in the 1996 ISDA Equity Derivatives Definitions (the "Equity Definitions"), as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Confirmation. In the event of any inconsistency between the Equity Definitions and this Confirmation, this Confirmation shall govern. This Transaction shall be deemed to be a Share Option Transaction within the meaning set forth in the Equity Definitions.

Each party is hereby advised, and each such party acknowledges, that the other party has engaged in, or refrained from engaging in, substantial financial transactions and has taken other material actions in reliance upon the parties' entry into the Transaction to which this Confirmation relates on the terms and conditions set forth below.

1. This Confirmation evidences a complete and binding agreement between JPMorgan and the Company as to the terms of the Transaction to which this Confirmation relates. This Confirmation shall supplement, form a part of, and be subject to an agreement in the form of the 2002 ISDA Master Agreement (the "Agreement") as if JPMorgan and the Company had executed an agreement in such form (but without any Schedule except for the election of the laws of the State of New York as the governing law) on the Trade Date. In the event of any inconsistency between provisions of that Agreement and this Confirmation, this Confirmation will prevail for the purpose of the Transaction to which this Confirmation relates. The parties hereby agree that no Transaction other than the Transaction to which this Confirmation relates shall be governed by the Agreement.

2. The terms of the particular Transaction to which this Confirmation relates are as follows:

General Terms:

Trade Date:	March 7, 2006
Warrants:	Equity call warrants, each giving the holder the right to purchase one Share at the Strike Price, subject to the Settlement Terms set forth below. For the purposes of the Equity Definitions, each reference to a Warrant herein shall be deemed to be a reference to a Call Option.
Warrant Style:	American
Buyer:	JPMorgan
Seller:	Company
Shares:	The Class A common stock of the Company, par value USD 0.001 per Share (Exchange symbol "AIN")
Number of Warrants:	2,061,993, subject to adjustment as provided herein
Daily Number of Warrants:	Subject to "Expiration Dates" below, for any day, the Number of Warrants that have not expired or been exercised as of such day, divided by the remaining number of Expiration Dates (including such day) and rounded down to the nearest whole number to account for any fractional Daily Number of Warrants.
Warrant Entitlement:	One Share per Warrant
Multiple Exercise:	Applicable
Minimum Number of Warrants:	1
Maximum Number of Warrants:	2,061,993
Strike Price:	USD 52.25
Premium:	USD 16,619,312.47
Premium Payment Date:	March 13, 2006
Exchange:	The New York Stock Exchange
Related Exchange(s):	The principal exchange(s) for options contracts or futures contracts, if any, with respect to the Shares.

Exercise and Valuation:

Expiration Time:	The Valuation Time

Expiration Dates:	Each Exchange Business Day during the period beginning on and including the First Expiration Date and ending on and including the 59th Exchange Business Day following the First Expiration Date shall be an "Expiration Date" for a number of Warrants equal to the Daily Number of Warrants on such day. Notwithstanding the foregoing and anything to the contrary in the Equity Definitions, if a Market Disruption Event occurs on any Expiration Date (including the First Expiration Date), the Calculation Agent shall make adjustments to the Daily Number of Warrants for which such day shall be an Expiration Date and shall designate a scheduled Exchange Business Day or a number of scheduled Exchange Business Days as the Expiration Date(s) for the remaining Daily Number of Warrants or a portion thereof for the originally scheduled Expiration Date, with such adjustments based on, among other factors, the duration of any Market Disruption Event and the volume, historical trading patterns and price of the Shares; provided that if such Expiration Date has not occurred pursuant to this sentence as of the eighth (8th) Exchange Business Day following the last scheduled Expiration Date under this Transaction, such eighth (8th) Exchange Business Day shall be the final Expiration Date and the Calculation Agent shall determine its good faith estimate of the fair market value for the Shares as of the Valuation Time on that eighth Exchange Business Day.
First Expiration Date:	June 15, 2013 (or, if such day is not an Exchange Business Day, the next following Exchange Business Day), subject to Market Disruption Event below.
Automatic Exercise:	Applicable; and means that a number of Warrants for each Expiration Date equal to the Daily Number of Warrants (as adjusted pursuant to the terms hereof) for such Expiration Date will be deemed to be automatically exercised.
Market Disruption Event:	Section 4.3(a)(ii) is hereby amended by adding after the words "or Share Basket Transaction" in the first line thereof the phrase "a failure by the Exchange or Related Exchange to open for trading during its regular trading session or" and replacing the phrase "during the one-half hour period that ends at the relevant Valuation Time" with the phrase "at any time during the regular trading session on the Exchange or any Related Exchange, without regard to after hours or any other trading outside of the regular trading session hours".

Valuation applicable to each Warrant:

Valuation Time:	At the close of trading of the regular trading session on the Exchange.
Valuation Date:	Each Exercise Date.

Settlement Terms applicable to the Transaction:

Method of Settlement:	Net Share Settlement; provided that, with respect to all Warrants to be exercised on the Expiration Dates, Cash Settlement shall apply if the Company validly elects Cash Settlement pursuant to the provisions of "Cash Settlement Election" below.
Net Share Settlement:	On each Settlement Date, the Company shall deliver to JPMorgan, the Share Delivery Quantity for such Settlement Date to the account specified herein free of payment through the Clearance System.
Share Delivery Quantity:	For each Settlement Date, (i) a number of Shares (rounded down to the nearest whole Share), as calculated by the Calculation Agent, equal to the sum of, for each Valuation Date that occurred in the calendar week immediately preceding such Settlement Date, the Settlement Amount for such Valuation Date divided by the Settlement Price on such Valuation Date, and (ii) cash in lieu of any fractional Share (based on the Settlement Price on the last Valuation Date during such week).
Settlement Amount:	For each Valuation Date, an amount equal to the product of (i) the number of Warrants exercised or deemed exercised on the relevant Exercise Date, (ii) the Strike Price Differential for such Valuation Date and (iii) the Warrant Entitlement.
Strike Price Differential:	(a) If the Settlement Price for any Valuation Date is greater than the Strike Price, an amount equal to the excess of such Settlement Price over the Strike Price; or (b) If such Settlement Price is less than or equal to the Strike Price, zero.
Settlement Price:	For any Valuation Date, the per Share volume-weighted average price as displayed under the heading "Bloomberg VWAP" on Bloomberg page AIN AQR (or any successor thereto) in respect of the period from 9:30 a.m. to 4:00 p.m. (New York City time) on such Valuation Date (or if such volume-weighted average price is unavailable, the market value of one Share on such Valuation Date, as determined by the Calculation Agent using a volume-weighted method).
Settlement Date:	The first Exchange Business Day of each calendar week shall be the Settlement Date in respect of each Valuation Date that occurred during the prior calendar week.
Cash Settlement Election:	Notwithstanding "Method of Settlement" above, with respect to all Warrants to be exercised on the Expiration Dates, the Company can elect Cash Settlement by delivering a written notice to JPMorgan (the "Cash Settlement Notice") on or prior to the fifteenth (15th) scheduled Exchange Business Day immediately

preceding the First Expiration Date, which Cash Settlement Notice shall contain:

(i) a representation that (x) on the date of such Cash Settlement Notice, the Company is not in possession of any material non-public information with respect to the Company or its Shares, (y) the Company is electing Cash Settlement in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5 under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and (z) the Company has not entered into or altered any hedging transaction relating to the Shares corresponding to or offsetting the Transaction;

(ii) a representation that the Company is not, on the date of such Cash Settlement Notice, and will not be, on any day during the period commencing on such day and ending on the second Exchange Business Day following the last Settlement Date hereunder (the "Settlement Period"), engaged in a distribution, as such term is used in Regulation M under the Exchange Act, other than a distribution meeting the requirements of the exception set forth in Rules 101(b)(10) and 102(b)(7) of Regulation M;

(iii) a representation that the Company is not electing Cash Settlement to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for the Shares) or to raise or depress or otherwise manipulate the price of the Shares (or any security convertible into or exchangeable for the Shares);

(iv) an acknowledgment by the Company that (A) any transaction in Shares by JPMorgan following the Company's election of Cash Settlement shall be made at JPMorgan's sole discretion and for JPMorgan's own account and (B) the Company does not have, and shall not attempt to exercise, any influence over how, when, whether or at what price to effect such transactions, or whether such transactions are made on any securities exchange or privately; and

(v) an agreement by the Company that, during the Settlement Period, without the prior written consent of JPMorgan, the Company shall not, and shall cause its affiliated purchasers (each as defined in Rule 10b-18 under the Exchange Act) not to, directly or indirectly (including, without limitation, by means of a derivative instrument), purchase, offer to purchase, place any bid or limit order that would effect a purchase of, or commence any tender offer relating to, any Shares or any security convertible into or exchangeable for the Shares in the public markets.

Cash Settlement: If Cash Settlement is applicable, on each Settlement Date, the Company shall deliver to JPMorgan (to an account specified by JPMorgan) the sum of the Settlement Amounts for each

Valuation Date that occurred in the calendar week immediately preceding such Settlement Date.

The Company agrees that it shall not have the right to elect Cash Settlement if JPMorgan notifies the Company that, it has determined that in the good faith reasonable judgment of JPMorgan, based upon advice of counsel and as a result of events occurring after the Trade Date, the election of Cash Settlement or any purchases of Shares that JPMorgan (or its affiliates) might make in connection therewith would raise material risks under applicable securities laws.

Failure to Deliver: Inapplicable

Other Applicable Provisions: If Net Share Settlement applies, the provisions of Sections 6.6, 6.7, 6.8, 6.9 and 6.10 of the Equity Definitions will be applicable, except that all references in such provisions to "Physically-Settled" shall be read as references to "Net Share Settled". "Net Share Settled" in relation to any Warrant means that Net Share Settlement is applicable to that Warrant.

3. Additional Terms applicable to the Transaction:

Adjustments applicable to the Warrants:

Method of Adjustment: Calculation Agent Adjustment. For avoidance of doubt, in making any adjustments under the Equity Definitions, the Calculation Agent may adjust the Strike Price, the Number of Warrants, the Daily Number of Warrants and the Warrant Entitlement. Notwithstanding the foregoing, any cash dividends or distributions, whether or not extraordinary, shall be governed by Section 9(l) of this Confirmation and not by Section 9.1(c) of the Equity Definitions.

Extraordinary Events applicable to the Transaction:

Consequence of Merger Events

(a) Share-for-Share: Alternative Obligation; provided that the Calculation Agent will determine if the Merger Event affects the theoretical value of the Transaction and, if so, the Calculation Agent shall make adjustments to the Strike Price, the Number of Warrants, the Daily Number of Warrants and the Warrant Entitlement and any other term necessary to reflect the characteristics (including volatility, dividend practice, borrow cost, policy and liquidity) of the New Shares. Notwithstanding the foregoing, Cancellation and Payment shall apply in the event the New Shares are not publicly traded on a United States national securities exchange or quoted on the NASDAQ National Market (or any successor thereto).

(b) Share-for-Other: Cancellation and Payment

(c) Share-for-Combined: Alternative Obligation in respect of the portion of the consideration for the relevant Shares that consists of New Shares and subject to any adjustment described in the proviso contained in Share-for-Share above, and Cancellation and Payment in respect of the portion of the consideration for the relevant Shares that consists of Other Consideration. Notwithstanding the foregoing, Cancellation and Payment shall apply in the event the New Shares are not publicly traded on a United States national securities exchange or quoted on the NASDAQ National Market (or any successor thereto).

Nationalization or Insolvency: Cancellation and Payment

4. Calculation Agent: JPMorgan. Whenever the Calculation Agent is required to act or to exercise judgment in any way, it will do so in good faith and in a commercially reasonable manner to achieve a commercially reasonable result.

The Calculation Agent shall, not later than the third Currency Business Day following receipt of a written request of the Company, provide the Company with a written explanation of the basis of any determination, adjustment or calculation made hereunder; provided that if, after reviewing such written explanation, the Company objects to such determination, adjustment or calculation, then the Company, JPMorgan and the Calculation Agent shall make reasonable good faith efforts to agree upon an appropriate determination, adjustment or calculation.

5. Account Details:

(a) Account for payments to the Company:

JPMorgan, New York
ABA: 021-000-021
Acct: CHASUS33
Acct No.: 910-1010-693

Account for delivery of Shares from the Company:

DTC 50108 (Computershare)
Note: the shares cannot be sent electronically.
They must be DWACed.

(b) Account for payments from/to JPMorgan:

JPMorgan Chase Bank, N.A., New York
ABA: 021 000 021
Favour: JPMorgan Chase Bank N.A., - London
A/C: 0010962009
CHASUS33

Account for delivery of Shares to JPMorgan:

DTC 060

6. Offices:

The Office of the Company for the Transaction is: Inapplicable, the Company is not a Multibranch Party.

The Office of JPMorgan for the Transaction is: New York

JPMorgan Chase Bank, N.A.
London Branch
P.O. Box 161
60 Victoria Embankment
London EC4Y 0JP
England

7. Notices: For purposes of this Confirmation:

(a) Address for notices or communications to the Company:

Albany International Corp.
1373 Broadway
Albany, New York 12204
Attention: Christopher J. Connally
Telephone No.: (518) 445-2235
Facsimile No.: (518) 447-6305

With a copy to:

Albany International Corp.
1373 Broadway
Albany, New York 12204
Attention: Charles J. Silva, Jr.
Telephone No.: (518) 445-2277
Facsimile No.: (518) 447-6575

(b) Address for notices or communications to JPMorgan:

JPMorgan Chase Bank, N. A.
277 Park Avenue, 11th Floor
New York, NY 10172
Attention: Nathan Lulek
EDG Corporate Marketing
Telephone No.: (212) 622-2262
Facsimile No.: (212) 622-8091

8. Representations and Warranties of the Company

The representations and warranties of the Company set forth in Section 4 of the Purchase Agreement (the "Purchase Agreement") dated as of the Trade Date and relating to the issuance of USD 150,000,000 principal amount of

2.25%
Convertible Senior Notes due 2026, (the "Convertible Notes") between the Company and J.P. Morgan Securities Inc. and Banc of America Securities LLC as Initial Purchasers are true and correct and are hereby deemed to be repeated to JPMorgan as if set forth herein. The Company hereby further represents and warrants to JPMorgan that:

(a) The Company has all necessary corporate power and authority to execute, deliver and perform its obligations in respect of this Transaction; such execution, delivery and performance have been duly authorized by all necessary corporate action on the Company's part; and this Confirmation has been duly and validly executed and delivered by the Company and constitutes its valid and binding obligation, enforceable against the Company in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity) and except that rights to indemnification and contribution hereunder may be limited by federal or state securities laws or public policy relating thereto.

(b) Neither the execution and delivery of this Confirmation nor the incurrence or performance of obligations of the Company hereunder will conflict with or result in a breach of the certificate of incorporation or by-laws (or any equivalent documents) of the Company, or any applicable law or regulation, or any order, writ, injunction or decree of any court or governmental authority or agency, or any agreement or instrument to which the Company or any of its Significant Subsidiaries is a party or by which the Company or any of its Significant Subsidiaries is bound or to which the Company or any of its Significant Subsidiaries is subject, or constitute a default under, or result in the creation of any lien under, any such agreement or instrument, or breach or constitute a default under any agreements and contracts of the Company and its Significant Subsidiaries filed as exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 2004, as updated by any subsequent filings.

(c) No consent, approval, authorization, or order of, or filing with, any governmental agency or body or any court is required in connection with the execution, delivery or performance by the Company of this Confirmation, except such as have been obtained or made and such as may be required under the Securities Act of 1933, as amended (the "Securities Act") or state securities laws.

(d) The Shares of the Company initially issuable upon exercise of the Warrant by the net share settlement method (the "Warrant Shares") have been reserved for issuance by all required corporate action of the Company. The Warrant Shares have been duly authorized and, when delivered against payment therefor (which may include Net Share Settlement in lieu of cash) and otherwise as contemplated by the terms of the Warrant following the exercise of the Warrant in accordance with the terms and conditions of the Warrant, will be validly issued, fully-paid and non-assessable, and the issuance of the Warrant Shares will not be subject to any preemptive or similar rights.

(e) The Company is an "eligible contract participant" (as such term is defined in Section 1a(12) of the Commodity Exchange Act, as amended (the "CEA") because one or more of the following is true:

The Company is a corporation, partnership, proprietorship, organization, trust or other entity and:

(A) the Company has total assets in excess of USD 10,000,000;

(B) the obligations of the Company hereunder are guaranteed, or otherwise supported by a letter of credit or keepwell, support or other agreement, by an entity of the type described in Section 1a(12)(A)(i) through (iv), 1a(12)(A)(v)(I), 1a(12)(A)(vii) or 1a(12)(C) of the CEA; or

(C) the Company has a net worth in excess of USD 1,000,000 and has entered into this Agreement in connection with the conduct of the Company's business or to manage the risk associated with an asset or liability owned or incurred or reasonably likely to be owned or incurred by the Company in the conduct of the Company's business.

(f) The Company is not, on the date hereof, in possession of any material non-public information with respect to the Company.

9. Other Provisions:

(a) Opinions. The Company shall deliver to JPMorgan an opinion of counsel, dated as of the Trade Date, substantially in the form set forth in Exhibit A hereto.

(b) Amendment. If the Initial Purchasers party to the Purchase Agreement exercise their right to purchase additional Convertible Notes as set forth therein, then, at the discretion of the Company, JPMorgan and the Company will amend this Confirmation to provide for such increase in Convertible Notes (but on pricing terms acceptable to JPMorgan and the Company) (such amendment to provide for the payment by JPMorgan to the Company of the additional premium related thereto).

(c) No Reliance, etc. Each party represents that (i) it is entering into the Transaction evidenced hereby as principal (and not as agent or in any other capacity); (ii) neither the other party nor any of its agents are acting as a fiduciary for it; (iii) it is not relying upon any representations except those expressly set forth in the Agreement or this Confirmation; (iv) it has not relied on the other party for any legal, regulatory, tax, business, investment, financial, and accounting advice, and it has made its own investment, hedging, and trading decisions based upon its own judgment and not upon any view expressed by the other party or any of its agents; and (v) it is entering into this Transaction with a full understanding of the terms, conditions and risks thereof and it is capable of and willing to assume those risks.

(d) Share De-listing Event. If at any time during the period from and including the Trade Date, to and including the final Expiration Date, the Shares cease to be listed or quoted on the Exchange for any reason (other than a Merger Event as a result of which the shares of common stock underlying the Warrants are listed or quoted on The New York Stock Exchange, The American Stock Exchange or the NASDAQ National Market (or their respective successors) (the "Successor Exchange")) and are not immediately re-listed or quoted as of the date of such de-listing on the Successor Exchange (a "Share De-listing"), then Cancellation and Payment (as defined in Section 9.6 of the Equity Definitions, treating the "Announcement Date" as the date of first public announcement that the Share De-listing will occur and the "Merger Date" as the date of the Share De-listing) shall apply, and the date of the de-listing shall be deemed the date of termination for purposes of calculating any payment due from one party to the other in connection with the cancellation of this Transaction. If the Shares are immediately re-listed on a Successor Exchange upon their de-listing from the Exchange, this Transaction shall continue in full force and effect, provided that the Successor Exchange shall be deemed to be the Exchange for all purposes hereunder, provided that the Calculation Agent may make appropriate adjustments to the terms of this Transaction to reflect the effect of such re-listing. For the avoidance of doubt, in no event will

a Share De-listing result in an obligation of JPMorgan under this Confirmation to make a payment to the Company.

(e) Repurchase Notices. The Company shall, on any day on which the Company effects any repurchase of Shares, promptly give JPMorgan a written notice of such repurchase (a "Repurchase Notice") on such day if following such repurchase, the number of outstanding Shares on such day, subject to any adjustments provided herein, is (i) less than 25 million (in the case of the first such notice) or (ii) thereafter, more than 125,000 less than the number of Shares included in the immediately preceding Repurchase Notice. The Company agrees to indemnify and hold harmless JPMorgan and its affiliates and their respective officers, directors, employees, affiliates, advisors, agents and controlling persons (each, an "Indemnified Person") from and against any and all losses (including losses relating to JPMorgan's reasonable hedging activities as a consequence of becoming, or of the risk of becoming, a Section 16 "insider", including without limitation, any forbearance from reasonable hedging activities or cessation of such hedging activities and any losses in connection therewith with respect to this Transaction), claims, damages, judgments, liabilities and expenses (including reasonable attorney's fees), joint or several, which an Indemnified Person actually may become subject to, as a result of the Company's failure to provide JPMorgan with a Repurchase Notice on the day and in the manner specified in this Section 9(e), and to reimburse, within 30 days, upon written request, each of such Indemnified Persons for any reasonable legal or other expenses incurred in connection with investigating, preparing for, providing testimony or other evidence in connection with or defending any of the foregoing. If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against the Indemnified Person, such Indemnified Person shall promptly notify the Company in writing, and the Company, upon request of the Indemnified Person, shall retain counsel reasonably satisfactory to the Indemnified Person to represent the Indemnified Person and any others the Company may designate in such proceeding and shall pay the fees and expenses of such counsel related to such proceeding. The Company shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Company agrees to indemnify any Indemnified Person from and against any loss or liability by reason of such settlement or judgment. The Company shall not, without the prior written consent of the Indemnified Person, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is or could have been a party and indemnity could have been sought hereunder by such Indemnified Person, unless such settlement includes an unconditional release of such Indemnified Person from all liability on claims that are the subject matter of such proceeding on terms reasonably satisfactory to such Indemnified Person. If the indemnification provided for in this paragraph (e) is unavailable to an Indemnified Person or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then the Company under such paragraph, in lieu of indemnifying such Indemnified Person thereunder, shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages or liabilities. The remedies provided for in this paragraph (e) are not exclusive and shall not limit any rights or remedies which may otherwise be available to any Indemnified Person at law or in equity. The indemnity and contribution agreements contained in this paragraph (e) shall remain operative and in full force and effect regardless of the termination of this Transaction.

(f) Regulation M. The Company was not on the Trade Date and is not on the date hereof engaged in a distribution, as such term is used in Regulation M under the Exchange Act, of any securities of the Company, other than a distribution meeting the requirements of the exception set forth in Rules 101(b)(10) and 102(b)(7) of Regulation M. The Company shall not, until the second Exchange Business Day immediately following the Trade Date, engage in any such distribution.

(g) No Manipulation. The Company is not entering into this Transaction to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for the Shares) or to raise or depress or otherwise manipulate the price of the Shares (or any security convertible into or exchangeable for the Shares).

(h) Board Authorization. The Company represents that it is entering into the Transaction, solely for the purposes stated in the board resolution authorizing this Transaction and in its public disclosure. The Company further represents that there is no internal policy, whether written or oral, of the Company that would prohibit the Company from entering into any aspect of this Transaction, including, but not limited to, the issuance of Shares pursuant hereto.

(i) Transfer or Assignment. (i) The Company may not transfer any of its rights or obligations under this Transaction without the prior written consent of JPMorgan. JPMorgan may transfer or assign all or any portion of its rights or obligations under this Transaction in compliance with applicable laws without consent of the Company. In addition, if JPMorgan's "beneficial ownership" (within the meaning of Section 16 of the Exchange Act and rules promulgated thereunder) exceeds 8% of the Company's outstanding shares, or the product of the Number of Warrants and the Warrant Entitlement divided by the total number of the Company's outstanding Shares (the "Warrant Equity Percentage") exceeds 15% and if, in the good faith, reasonable judgment of JPMorgan based upon advice of counsel and as a result of events occurring after the Trade Date, JPMorgan reasonably determines that it would be inadvisable to engage in alternative hedging transactions which would enable it to reduce its "beneficial ownership" or the Warrants Equity Percentage other than by transfer, assignment or termination, and JPMorgan reasonably determines that it is unable after making commercially reasonable efforts to effect transfer or assignment on pricing terms and in a time period reasonably acceptable to JPMorgan that would reduce its "beneficial ownership" to 7.5% or such Warrant Equity Percentage to 14.5%, respectively, JPMorgan may designate any Exchange Business Day as an Early Termination Date with respect to a portion (the "Terminated Portion") of this Transaction, such that its "beneficial ownership" following such partial termination would be approximately equal to but less than 7.5% or the Warrant Equity Percentage approximately equal to 14.5%, as applicable.

(ii) If JPMorgan so designates an Early Termination Date with respect to a portion of this Transaction, (i) a payment shall be made pursuant to Section 6 of the Agreement as if an Early Termination Date occurred in respect of a Transaction having terms identical to this Transaction and a Number of Warrants equal to the Terminated Portion, (ii) the Company shall be the sole Affected Party with respect to such partial termination and (iii) such Transaction shall be the only Terminated Transaction. For the avoidance of doubt, if JPMorgan assigns or terminates any Warrants hereunder, each Daily Number of Warrants not previously settled hereunder shall be reduced proportionately, as calculated by the Calculation Agent.

(iii) Notwithstanding any other provision in this Confirmation to the contrary requiring or allowing JPMorgan to purchase, sell, receive or deliver any Shares or other securities to or from the Company, JPMorgan may designate any of its affiliates to purchase, sell, receive or deliver such Shares or other securities and otherwise to perform JPMorgan's obligations in respect of this Transaction and any such designee may assume such obligations. JPMorgan shall be discharged of its obligations to the Company only to the extent of any such performance.

(j) Damages. Neither party shall be liable under Section 6.10 of the Equity Definitions for special, indirect or consequential damages, even if informed of the possibility thereof.

(k) Early Unwind. In the event the sale of Convertible Notes is not consummated with the initial purchasers for any reason by the close of business in New York on March 13, 2006 (or such later date as agreed upon by the parties) (March 13, 2006 or such later date as agreed upon being the

"Early Unwind Date"), this Transaction shall automatically terminate (the "Early Unwind"), on the Early Unwind Date and (i) the Transaction and all of the respective rights and obligations of JPMorgan and the Company under the Transaction shall be cancelled and terminated and (ii) each party shall be released and discharged by the other party from and agrees not to make any claim against the other party with respect to any obligations or liabilities of the other party arising out of and to be performed in connection with the Transaction either prior to or after the Early Unwind Date; provided that, if the failure to consummate the sale of the Convertible Notes results from a breach by the Company of any representation of or any undertaking by the Company contained in the Purchase Agreement, the Company shall purchase from JPMorgan on the Early Unwind Date any Shares purchased by JPMorgan or one or more of its affiliates in connection with this Transaction and reimburse JPMorgan for any costs or expenses (including market losses) relating to the unwinding of its reasonable hedging activities in connection with the Transaction (including any losses or costs incurred as a result of its terminating, liquidating, obtaining or reestablishing any reasonable hedge or related trading position). The amount of any such reimbursement shall be determined by JPMorgan in its reasonable good faith discretion. JPMorgan shall notify the Company of such amount, including, upon the Company's request, an explanation of the basis of determination of such amount, and the Company shall pay such amount in immediately available funds on the Early Unwind Date. JPMorgan and the Company represent and acknowledge to the other that, subject to the proviso included in this Section, upon an Early Unwind, all obligations with respect to the Transaction shall be deemed fully and finally discharged.

(l) Dividends. If at any time during the period from and including the Trade Date, to but excluding the Expiration Date, an ex-dividend date for a cash dividend occurs with respect to the Shares (an "Ex-Dividend Date"), and that dividend is different from the Regular Dividend on a per Share basis then the Calculation Agent will, in its reasonable discretion, adjust the Strike Price, the Number of Warrants, the Daily Number of Warrants and the Warrant Entitlement to preserve the fair value of the Warrant to JPMorgan after taking into account such dividend. "Regular Dividend" shall mean USD 0.09 per Share per quarter.

(m) Role of Agent. Each party agrees and acknowledges that (i) J.P. Morgan Securities Inc., an affiliate of JPMorgan ("JPMSI"), has acted solely as agent and not as principal with respect to this Transaction and (ii) JPMSI has no obligation or liability, by way of guaranty, endorsement or otherwise, in any manner in respect of this Transaction (including, if applicable, in respect of the settlement thereof). Each party agrees it will look solely to the other party (or any guarantor in respect thereof) for performance of such other party's obligations under this Transaction.

(n) Additional Provisions.

(i) Notwithstanding Section 9.7 of the Equity Definitions, everything in the first paragraph of Section 9.7(b) of the Equity Definitions after the words "Calculation Agent" in the third line through the remainder of such Section 9.7 shall be deleted and replaced with the following:

"based on an amount representing the Calculation Agent's determination of the fair value to Buyer of an option with terms that would preserve for Buyer the economic equivalent of any payment or delivery (assuming satisfaction of each applicable condition precedent) by the parties in respect of the relevant Transaction that would have been required after that date but for the occurrence of the Merger Event, Nationalization, Insolvency or Share De-listing as the case may be."

(ii) Sections 12.8 and 12.9 of the 2002 ISDA Equity Derivatives Definitions shall apply to this Transaction and, for the purposes of such sections, "Hedging Disruption", "Increased Cost of Hedging" and "Loss of Stock Borrow" shall be "Applicable" and, in each case, JPMorgan shall be the Hedging Party and the Determining Party. With respect to the Loss of Stock Borrow, the

"Maximum Stock Loan Rate" shall mean the Federal Funds Rate, as determined by the Calculation Agent, minus 50 basis points.

"Federal Funds Rate" means, for any day, the rate set forth for such day opposite the caption "Federal funds", as such rate is displayed on the page FedsOpen on the Bloomberg Professional Service or any successor page; provided that if no rate appears for any day on such page, the rate for the immediately preceding day for which a rate does so appear shall be used for such day.

(o) No Collateral or Setoff. Notwithstanding any provision of the Agreement or any other agreement between the parties to the contrary, the obligations of the Company hereunder are not secured by any collateral. Obligations under this Transaction shall not be set off by the Company (including, for the avoidance of doubt, pursuant to Section 6(f) of the Agreement) against any other obligations of the parties, whether arising under the Agreement, this Confirmation, under any other agreement between the parties hereto, by operation of law or otherwise. Any provision in the Agreement with respect to the satisfaction of the Company's payment obligations to the extent of JPMorgan's payment obligations to the Company in the same currency and in the same Transaction (including, without limitation Section 2(c) thereof) shall not apply to the Company and, for the avoidance of doubt, the Company shall fully satisfy such payment obligations notwithstanding any payment obligation to the Company by JPMorgan in the same currency and in the same Transaction. In calculating any amounts under Section 6(e) of the Agreement, notwithstanding anything to the contrary in the Agreement, (1) separate amounts shall be calculated as set forth in such Section 6(e) with respect to (a) this Transaction and (b) all other Transactions, and (2) such separate amounts shall be payable pursuant to Section 6(d)(ii) of the Agreement, subject to the Share Termination Alternative.

(p) Alternative Calculations and Payment on Early Termination and on Certain Extraordinary Events. If, in respect of this Transaction, an amount is payable by the Company to JPMorgan, (i) pursuant to Section 9.7 of the Equity Definitions (except in the event of a Nationalization or Insolvency or a Merger Event, in each case, in which the consideration to be paid to holders of Shares consists solely of cash) or (ii) pursuant to Section 6(d)(ii) of the Agreement (except in the event of an Event of Default in which the Company is the Defaulting Party or a Termination Event in which the Company is the Affected Party, other than an Event of Default of the type described in Section 5(a)(iii), (v), (vi), (vii) or (viii) of the Agreement or in this Confirmation or a Termination Event of the type described in Section 5(b)(i), (ii), (iii), (iv), (v) or (vi) of the Agreement or this Confirmation in each case resulting from an event or events outside the Company's control) (a "Payment Obligation"), the Company may, in its sole discretion, satisfy any such Payment Obligation by the Share Termination Alternative (as defined below) and shall give irrevocable telephonic notice to JPMorgan, confirmed in writing within one Currency Business Day, no later than 12:00 p.m. New York local time on the Merger Date, the date of the occurrence of the Nationalization or Insolvency, the date of the Share De-listing or the Early Termination Date, as applicable. In calculating any amounts under Section 6(e) of the Agreement, notwithstanding anything to the contrary in the Agreement, (1) separate amounts shall be calculated as set forth in Section 6(e) with respect to (a) this Transaction and (b) any other Transactions under the Agreement, and (2) such separate amounts shall be payable pursuant to Section 6(d)(ii) of the Agreement, subject to, in the case of clause (1)(a), the Company's Share Termination Alternative right hereunder.

Share Termination Alternative:	If applicable, the Company shall deliver to JPMorgan the Share Termination Delivery Property on the date when the Payment Obligation would otherwise be due, subject to Section 9(q) below, pursuant to

	Section 9.7 of the Equity Definitions, this Confirmation, or Section 6(d)(ii) and 6(e) of the Agreement, as applicable (the "Share Termination Payment Date"), in satisfaction, of the Payment Obligation in the manner reasonably requested by JPMorgan free of payment.
Share Termination Delivery Property:	A number of Share Termination Delivery Units, as calculated by the Calculation Agent, equal to the Payment Obligation divided by the Share Termination Unit Price. The Calculation Agent shall adjust the Share Termination Delivery Property by replacing any fractional portion of a security therein with an amount of cash equal to the value of such fractional security based on the values used to calculate the Share Termination Unit Price.
Share Termination Unit Price:	The value to JPMorgan of property contained in one Share Termination Delivery Unit on the date such Share Termination Delivery Units are to be delivered as Share Termination Delivery Property, as determined by the Calculation Agent in its discretion by commercially reasonable means and notified by the Calculation Agent to the Company at the time of notification of the Payment Obligation. In the case of a Private Placement Settlement of Share Termination Delivery Units that are Restricted Shares (as defined below) as set forth in paragraph (q)(i) below, the Share Termination Unit Price shall be determined by the discounted price applicable to such Share Termination Delivery Units. In the case of a Registered Settlement of Share Termination Delivery Units that are Restricted Shares (as defined below) as set forth in paragraph (q)(ii) below, the Share Termination Unit Price shall be the Settlement Price on the Merger Date, the date of the occurrence of the Nationalization or Insolvency, the date of the Share De-listing or the Early Termination Date, as applicable.
Share Termination Delivery Unit:	In the case of a Share De-listing, Termination Event or Event of Default, one Share or, in the case of Nationalization or Insolvency or a Merger Event, a unit consisting of the number or amount of each type of property received by a holder of one Share (without consideration of any requirement to pay cash or other consideration in lieu of fractional amounts of any securities) in such Nationalization or Insolvency or such Merger Event. If such Merger Event involves a choice of consideration to be received by holders, such holder shall be deemed to

	have elected to receive the maximum possible amount of cash.
Failure to Deliver:	Inapplicable
Other applicable provisions:	If the Share Termination Alternative is applicable, the provisions of Sections 6.6, 6.7, 6.8, 6.9 and 6.10 (as modified above) of the Equity Definitions will be applicable, except that all references in such provisions to "Physically-Settled" shall be read as references to "Share Termination Settled" and all references to "Shares" shall be read as references to "Share Termination Delivery Units". "Share Termination Settled" in relation to this Transaction means that the Share Termination Alternative is applicable to this Transaction.

(q) Registration/Private Placement Procedures. If, in the reasonable opinion of JPMorgan, based on the advice of counsel, following any delivery of Shares or Share Termination Delivery Property to JPMorgan hereunder, such Shares or Share Termination Delivery Property would be in the hands of JPMorgan subject to any applicable restrictions with respect to any registration or qualification requirement or prospectus delivery requirement for such Shares or Share Termination Delivery Property pursuant to any applicable federal or state securities law (including, without limitation, any such requirement arising under Section 5 of the Securities Act as a result of such Shares or Share Termination Delivery Property being "restricted securities", as such term is defined in Rule 144 under the Securities Act, or as a result of the sale of such Shares or Share Termination Delivery Property being subject to paragraph (c) of Rule 145 under the Securities Act) (such Shares or Share Termination Delivery Property, "Restricted Shares"), then delivery of such Restricted Shares shall be effected pursuant to either clause (i) or (ii) below at the election of the Company, unless waived by JPMorgan. Notwithstanding the foregoing, solely in respect of any Warrants exercised or deemed exercised on any Expiration Date, (x) JPMorgan shall use reasonable efforts to give notice to the Company no later than twenty (20) Exchange Business Days prior to the First Expiration Date if it believes at such time that this Section 9(q) would be applicable to Shares or Share Termination Delivery Property to be delivered in connection with any Expiration Date and (y) to the extent Net Share Settlement applies, the Company shall elect, prior to the first Settlement Date for the first Expiration Date, a Private Placement Settlement or Registered Settlement for all deliveries of Restricted Shares for all such Expiration Dates which election shall be applicable to all Settlement Dates for such Daily Number of Warrants and the procedures in clause (i) or clause (ii) below shall apply for all such delivered Restricted Shares on an aggregate basis commencing after the final Settlement Date for such Daily Number of Warrants. The Calculation Agent shall make reasonable adjustments to settlement terms and provisions under this Confirmation to reflect a single Private Placement Settlement or Registered Settlement for such aggregate Restricted Shares delivered hereunder.

(i) If the Company elects to settle the Transaction pursuant to this clause (i) (a "Private Placement Settlement"), then delivery of Restricted Shares by the Company shall be effected in customary private placement procedures with respect to such Restricted Shares reasonably acceptable to JPMorgan; provided that the Company may not elect a Private Placement Settlement if, on the date of its election, it has taken, or caused to be taken, any action that would make unavailable either the exemption pursuant to Section 4(2) of the Securities Act for the sale by the Company to JPMorgan (or any affiliate designated by JPMorgan) of the Restricted Shares or the exemption pursuant to Section 4(1) or Section

4(3) of the Securities Act for resales of the Restricted Shares by JPMorgan (or any such affiliate of JPMorgan). The Private Placement Settlement of such Restricted Shares shall include customary representations, covenants, blue sky and other governmental filings and/or registrations, indemnities to JPMorgan, due diligence rights (for JPMorgan or any designated buyer of the Restricted Shares by JPMorgan), opinions and certificates, and such other documentation as is customary for private placement agreements, all reasonably acceptable to JPMorgan. In the case of a Private Placement Settlement, JPMorgan shall determine the appropriate discount to the Share Termination Unit Price (in the case of settlement of Share Termination Delivery Units pursuant to paragraph (p) above) or any Settlement Price (in the case of settlement of Shares pursuant to Section 2 above) applicable to such Restricted Shares in a commercially reasonable manner and appropriately adjust the amount of such Restricted Shares to be delivered to JPMorgan hereunder; provided that in no event shall such number be greater than 8,247,972 (the "Maximum Amount"). Notwithstanding the Agreement or this Confirmation, the date of delivery of such Restricted Shares (the "Due Date") shall be the Exchange Business Day following notice by JPMorgan to the Company, of such applicable discount and the number of Restricted Shares to be delivered pursuant to this clause (i). For the avoidance of doubt, delivery of Restricted Shares shall be due as set forth in the previous sentence and not be due on the Share Termination Payment Date (in the case of settlement of Share Termination Delivery Units pursuant to paragraph (p) above) or on the Settlement Date for such Restricted Shares (in the case of settlement of Shares pursuant to Section 2 above).

In the event the Company shall not have delivered the full number of Restricted Shares otherwise applicable as a result of the proviso above relating to the Maximum Amount (such deficit, the "Deficit Restricted Shares"), the Company shall be continually obligated to deliver, from time to time until the full number of Deficit Restricted Shares have been delivered pursuant to this paragraph, Restricted Shares when, and to the extent, that (i) Shares are repurchased, acquired or otherwise received by the Company or any of its subsidiaries after the Trade Date (whether or not in exchange for cash, fair value or any other consideration), (ii) authorized and unissued Shares reserved for issuance in respect of other transactions prior to such date which prior to the relevant date become no longer so reserved and (iii) the Company additionally authorizes and unissued Shares that are not reserved for other transactions. The Company shall immediately notify JPMorgan of the occurrence of any of the foregoing events (including the number of Shares subject to clause (i), (ii) or (iii) and the corresponding number of Restricted Shares to be delivered) and promptly deliver such Restricted Shares thereafter.

In the event of a Private Placement, the Net Share Settlement Amount or the Payment Obligation, respectively, shall be deemed to be the Net Share Settlement Amount or the Payment Obligation, respectively, plus an additional amount (determined from time to time by the Calculation Agent in its commercially reasonable judgment) attributable to interest that would be earned on such Net Share Settlement Amount or the Payment Obligation, respectively, (increased on a daily basis to reflect the accrual of such interest and reduced from time to time by the amount of net proceeds received by JPMorgan as provided herein) at a rate equal to the open Federal Funds Rate plus the Spread for the period from, and including, such Settlement Date or the date on which the Payment Obligation is due, respectively, to, but excluding, the Due Date, calculated on an Actual/360 basis. The foregoing provision shall be without prejudice to JPMorgan's rights under the Agreement (including, without limitation, Sections 5 and 6 thereof).

As used in this Section 9(p)(i), "Spread" means, with respect to any Net Share Settlement Amount or Payment Obligation, respectively, the credit spread over the applicable overnight rate that would be imposed if JPMorgan were to extend credit to the Company in an amount equal to such Net Share Settlement Amount, all as determined by the Calculation Agent using its commercially reasonable judgment as of the related Settlement Date or Due Date, respectively. Commercial reasonableness shall take into consideration all factors deemed relevant by the Calculation Agent, which are expected to include, among other things, the credit quality of the Company (and any relevant affiliates) in the then-prevailing market and the credit spread of similar companies in the relevant industry and other companies having a substantially similar credit quality.

(ii) If the Company elects to settle the Transaction pursuant to this clause (ii) (a "Registration Settlement"), then the Company shall promptly (but in any event no later than the beginning of the Resale Period) file and use its reasonable best efforts to make effective under the Securities Act a registration statement or supplement or amend an outstanding registration statement in form and substance reasonably satisfactory to JPMorgan, to cover the resale of such Restricted Shares in accordance with customary resale registration procedures, including covenants, conditions, representations, underwriting discounts (if applicable), commissions (if applicable), indemnities due diligence rights, opinions and certificates, and such other documentation as is customary for equity resale underwriting agreements, all reasonably acceptable to JPMorgan. If JPMorgan, in its reasonable discretion, is not satisfied with such procedures and documentation, Private Placement Settlement shall apply. If JPMorgan is satisfied with such procedures and documentation, it shall sell the Restricted Shares pursuant to such registration statement during a period (the "Resale Period") commencing on (x) the Share Termination Payment Date in case of settlement of Share Termination Delivery Units pursuant to paragraph (p) above or (y) the Settlement Date in respect of the final Expiration Date for all Daily Number of Warrants and ending on the earliest of (i) the Exchange Business Day on which JPMorgan completes the sale of all Restricted Shares or a sufficient number of Restricted Shares so that the realized net proceeds of such sales exceed the Payment Obligation (as defined above), (ii) the date upon which all Restricted Shares have been sold or transferred pursuant to Rule 144 (or similar provisions then in force) or Rule 145(d)(1) or (2) (or any similar provision then in force) under the Securities Act and (iii) the date upon which all Restricted Shares may be sold or transferred by a non-affiliate pursuant to Rule 144(k) (or any similar provision then in force) or Rule 145(d)(3) (or any similar provision then in force) under the Securities Act. If the Payment Obligation exceeds the realized net proceeds from such resale, the Company shall transfer to JPMorgan by the open of the regular trading session on the Exchange on the Exchange Trading Day immediately following the last day of the Resale Period the amount of such excess (the "Additional Amount") in cash or in a number of Restricted Shares ("Make-whole Shares") in an amount that, based on the Settlement Price on the last day of the Resale Period (as if such day was the "Valuation Date" for purposes of computing such Settlement Price), has a dollar value equal to the Additional Amount. The Resale Period shall continue to enable the sale of the Make-whole Shares. If the Company elects to pay the Additional Amount in Restricted Shares, the requirements and provisions for Registration Settlement shall apply. This provision shall be applied successively until the Additional Amount is equal to zero. In no event shall the Company deliver a number of Restricted Shares greater than the Maximum Amount. Once the realized net proceeds of such sales exceed the Payment Obligation, JPMorgan shall return to the Company any excess proceeds or remaining Restricted Shares.

(iii) Without limiting the generality of the foregoing, but subject to the last sentence of Section 9(s) below, the Company agrees that any Restricted Shares delivered to JPMorgan, as purchaser of such Restricted Shares, (i) may be transferred by and among JPMorgan and its affiliates in compliance with applicable law and the Company shall effect such transfer without any further action by JPMorgan and (ii) after the minimum "holding period" within the meaning of Rule 144(d) under the Securities Act has elapsed after any Settlement Date for such Restricted Shares, the Company shall promptly remove, or cause the transfer agent for such Restricted Shares to remove, any legends referring to any such restrictions or requirements from such Restricted Shares upon delivery by JPMorgan (or such affiliate of JPMorgan) to the Company or such transfer agent of seller's and broker's representation letters customarily delivered by JPMorgan in connection with resales of restricted securities pursuant to Rule 144 under the Securities Act, without any further requirement for the delivery of any certificate, consent, agreement, opinion of counsel, notice or any other document, any transfer tax stamps or payment of any other amount or any other action by JPMorgan (or such affiliate of JPMorgan).

If the Private Placement Settlement or the Registration Settlement shall not be effected as set forth in clauses (i) or (ii), as applicable, then failure to effect such Private Placement Settlement or such Registration Settlement shall constitute an Event of Default with respect to which the Company shall be the Defaulting Party.

(r) Limit on Beneficial Ownership. Notwithstanding any other provisions hereof, JPMorgan may not exercise any Warrant hereunder or receive any Shares as a result of such exercise, and Automatic Exercise shall not apply with respect thereto, to the extent (but only to the extent) that such exercise or receipt would result in JPMorgan directly or indirectly beneficially owning (as such term is defined for purposes of Section 13(d) of the Exchange Act) at any time in excess of 9.0% of the outstanding Shares. Any purported delivery hereunder shall be void and have no effect to the extent (but only to the extent) that such delivery would result in JPMorgan directly or indirectly so beneficially owning in excess of 9.0% of the outstanding Shares. If any delivery owed to JPMorgan hereunder is not made, in whole or in part, as a result of this provision, the Company's obligation to make such delivery shall not be extinguished and the Company shall make such delivery as promptly as practicable after, but in no event later than one Exchange Business Day after, JPMorgan gives notice to the Company that such delivery would not result in JPMorgan directly or indirectly so beneficially owning in excess of 9.0% of the outstanding Shares.

(s) Share Deliveries. The Company acknowledges and agrees that, to the extent the holder of this Warrant is not then an affiliate and has not been an affiliate for 90 days (it being understood that JPMorgan will not be considered an affiliate under this Section 9(s) solely by reason of its receipt of Shares pursuant to this Transaction), and otherwise satisfies all holding period and other requirements of Rule 144 of the Securities Act applicable to it, any delivery of Shares or Share Termination Delivery Property hereunder at any time after two years from the Premium Payment Date shall be eligible for resale under Rule 144(k) of the Securities Act and the Company agrees to promptly remove, or cause the transfer agent for such Shares or Share Termination Delivery Property, to remove, any legends referring to any restrictions on resale under the Securities Act from the Shares or Share Termination Delivery Property. The Company further agrees, for any delivery of Shares or Share Termination Delivery Property hereunder at any time after one year from the Premium Payment Date but within two years of the Premium Payment Date, to the extent the holder of this Warrant then satisfies the holding period and other requirements of Rule 144 of the Securities Act, to promptly remove, or cause the transfer agent for such Shares or Share Termination Delivery Property to remove, any legends referring to any such restrictions or

requirements from such Shares or Share Termination Delivery Property. Such Shares or Share Termination Delivery Property will be de-legended upon delivery by JPMorgan (or such affiliate of JPMorgan) to the Company or such transfer agent of customary seller's and broker's representation letters in connection with resales of restricted securities pursuant to Rule 144 of the Securities Act, without any further requirement for the delivery of any certificate, consent, agreement, opinion of counsel, notice or any other document, any transfer tax stamps or payment of any other amount or any other action by JPMorgan (or such affiliate of JPMorgan). The Company further agrees that any delivery of Shares or Share Termination Delivery Property prior to the date that is one year from the Premium Payment Date, may be transferred by and among JPMorgan and its affiliates in compliance with applicable law and the Company shall effect such transfer without any further action by JPMorgan. Notwithstanding anything to the contrary herein, to the extent the provisions of Rule 144 of the Securities Act or any successor rule are amended, or the applicable interpretation thereof by the Securities and Exchange Commission or any court change after the Trade Date, the agreements of the Company herein shall be deemed modified to the extent necessary, in the opinion of counsel of the Company, to comply with Rule 144 of the Securities Act, including Rule 144(k) as in effect at the time of delivery of the relevant Shares or Share Termination Delivery Property.

(t) Additional Termination Event. If within the period commencing on the Trade Date and ending on the second anniversary of the Trade Date, an event shall occur, as a result of which, based on the advice of counsel, JPMorgan reasonably determines that it is advisable to terminate a portion of this Transaction to comply with applicable securities laws, rules or regulations, the occurrence of such event shall constitute an Additional Termination Event under the Agreement permitting JPMorgan to terminate a portion of this Transaction in respect of which (1) the Company shall be the sole Affected Party and (2) this Transaction shall be the sole Affected Transaction; provided, however, that JPMorgan shall have the right to effect such termination only to the extent reasonably necessary to comply with such laws, rules or regulations.

(u) Right to Extend. JPMorgan may delay any Settlement Date or any other date of delivery by JPMorgan, with respect to some or all of the Warrants hereunder, if JPMorgan reasonably determines, in its discretion, that such extension is reasonably necessary to enable JPMorgan to effect purchases of Shares in connection with its hedging activity hereunder in a manner that would be in compliance with applicable legal and regulatory requirements.

(v) Governing Law. New York law (without reference to choice of law doctrine).

(w) Waiver of Jury Trial. Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any suit, action or proceeding relating to this Transaction. Each party (i) certifies that no representative, agent or attorney of the other party has represented, expressly or otherwise, that such other party would not, in the event of such a suit, action or proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other party have been induced to enter into this Transaction, as applicable, by, among other things, the mutual waivers and certifications provided herein.

(x) Maximum Share Delivery. Notwithstanding any other provision of this Confirmation or the Agreement, in no event will the Company be required to deliver more than the Maximum Amount of Shares in the aggregate to JPMorgan in connection with this Transaction, subject to the provisions regarding Deficit Restricted Shares.

(y) Status of Claims in Bankruptcy. JPMorgan acknowledges and agrees that this confirmation is not intended to convey to JPMorgan rights with respect to the transactions contemplated hereby that are senior to the claims of common stockholders in any U.S. bankruptcy proceedings of the Company; provided, however, that nothing herein shall limit or shall be deemed to limit

JPMorgan's right to pursue remedies in the event of a breach by the Company of its obligations and agreements with respect to this Confirmation and the Agreement; and provided, further, that nothing herein shall limit or shall be deemed to limit JPMorgan's rights in respect of any transaction other than the Transaction.

(z) Tax Advice. JPMorgan and its affiliates do not provide tax advice. Accordingly, any statements contained herein as to tax matters were neither written nor intended by JPMorgan to be used and cannot be used by any taxpayer for the purpose of avoiding tax penalties that may be imposed on such taxpayer. If any person uses or refers to any such tax statement in promoting, marketing or recommending a partnership or other entity, investment plan or arrangement to any taxpayer, then the statement expressed above is being delivered to support the promotion or marketing of the transaction or matter addressed and the recipient should seek advice based on its particular circumstances from an independent tax advisor. Notwithstanding anything herein to the contrary, the sender and any intended recipient of this communication (and any of its employees, representatives and other agents) may disclose to any and all persons, without limitation of any kind, the tax treatment or tax structure of this transaction.

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing this Confirmation and returning it in the manner indicated in the attached cover letter.

Very truly yours,

J.P. Morgan Securities Inc., as agent for
JPMorgan Chase Bank, National Association

By: /s/ Sudheer Tegulapalle

Authorized Signatory
Name: Sudheer Tegulapalle

Accepted and confirmed
as of the Trade Date:

ALBANY INTERNATIONAL CORP.

By: /s/ David C. Michaels

Authorized Signatory
Name: David C. Michaels

Annex A

Form of Legal Opinion