

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

**Form S-3**  
**REGISTRATION STATEMENT**  
**UNDER**  
**THE SECURITIES ACT OF 1933**

**THE PNC FINANCIAL SERVICES GROUP, INC.**

**PNC FUNDING CORP**

*(Exact name of each registrant as specified in its articles of incorporation)*

**Pennsylvania**  
*(State or other jurisdiction of incorporation or organization)*

**Pennsylvania**  
*(State or other jurisdiction of incorporation or organization)*

**25-1435979**  
*(I.R.S. Employer Identification Number)*

**25-1234372**  
*(I.R.S. Employer Identification Number)*

**One PNC Plaza**  
**249 Fifth Avenue**  
**Pittsburgh, Pennsylvania 15222-2707**  
**(412) 762-2000**

**One PNC Plaza**  
**249 Fifth Avenue**  
**Pittsburgh, Pennsylvania 15222-2707**  
**(412) 762-2000**

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

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

**William S. Demchak**  
**Vice Chairman and Chief Financial Officer**  
**The PNC Financial Services Group, Inc.**  
**One PNC Plaza**  
**249 Fifth Avenue**  
**Pittsburgh, Pa 15222-2707**  
**(412) 762-2000**

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

**Copy to:**

**Nelson Winter, Esq.**  
**Reed Smith LLP**  
**435 Sixth Avenue**  
**Pittsburgh, Pennsylvania 15219**  
**(412) 288-3310**

**Approximate date of commencement of proposed sale to the public:** From time to time after the effective date of this Registration Statement as determined by market conditions.

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

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

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

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

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

**CALCULATION OF REGISTRATION FEE**

Title of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)(3)	Amount of Registration Fee(4)
Debt Securities — to be issued by PNC Funding Corp		
Common Stock — to be issued by The PNC Financial Services Group, Inc.(5)		
Preferred Stock — to be issued by The PNC Financial Services Group, Inc.		
Depository Shares — to be issued by The PNC Financial Services Group, Inc.		
Purchase Contracts(1)(6)		
Units(1)(7)		
Warrants to purchase Common Stock, Preferred Stock or Depository Shares — to be issued by The PNC Financial Services Group, Inc.		
Warrants to purchase Debt Securities — to be issued by PNC Funding Corp		
Guarantees — constituting guarantees of the Debt Securities by The PNC Financial Services Group, Inc.(8)		
<b>Total</b>	\$2,000,000,000	\$0

*(footnotes on following page)*

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

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- (1) There is being registered hereunder such debt securities, such number of shares of common stock and preferred stock and such number of warrants as will result in aggregate proceeds of \$2,000,000,000 (or the equivalent thereof in one or more foreign currencies, foreign currency units or composite currencies); or, if any debt securities are issued at an original issue discount, such greater amount as shall result in net proceeds of \$2,000,000,000 (or the equivalent thereof in one or more foreign currencies, foreign currency units or composite currencies) to the Registrants. There are being registered hereunder such indeterminate number of depositary shares to be evidenced by depositary receipts issued pursuant to a deposit agreement. In the event that the Registrant elects to offer to the public fractional interests of the preferred stock registered hereunder, depositary receipts will be distributed to those persons purchasing such fractional interests and the underlying preferred stock will be issued to the depositary under the deposit agreement. There are also being registered hereunder an indeterminate amount of purchase contracts, which includes an indeterminate number of shares of common stock, preferred stock or depositary shares, as applicable, issuable upon settlement of such contracts and an indeterminate amount of units. There are also being registered hereunder an indeterminate number of shares of common stock and preferred stock, an indeterminate number of depositary shares and an indeterminate principal amount of debt securities, in each case issuable upon conversion, exchange or exercise of the preferred stock, debt securities or warrants registered hereunder.
  - (2) Pursuant to Rule 416 under the Securities Act of 1933, this registration statement also covers any additional securities that may become issuable pursuant to stock splits, stock dividends or similar transactions, without the need for any post-effective amendment.
  - (3) This amount is estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933. Rule 457(o) permits the registration fee to be calculated on the basis of the maximum offering price of all of the securities listed and, therefore, the table does not specify by each class information as to the amount to be registered, the maximum offering price per unit or the proposed maximum aggregate offering price. The proposed maximum offering price per unit will be determined from time to time in connection with the issuance of securities registered hereunder.
  - (4) Pursuant to Rule 457(p) under the Securities Act of 1933, the gross registration fee of \$235,400 has been reduced to a net fee of \$0, through the offset against the registration fee of the amount of the \$1,082,566 fee paid under Registration Statement on Form S-3 (Nos. 333-69576 and 333-69576-01) of PNC Funding Corp and The PNC Financial Services Group, Inc. filed with the Commission on September 18, 2001, allocable to \$1,997,000 of securities unsold thereunder.
  - (5) The aggregate amount of common stock being registered hereunder will be limited to that which is permissible under Rule 415(a)(4) under the Securities Act of 1933. Each share of common stock includes a Preferred Share Purchase Right pursuant to Registrant's Rights Agreement, referred to as the "rights." Prior to the occurrence of certain events, none of which have occurred as of the date hereof, the rights will not be exercisable or evidenced separately from the common stock.
  - (6) Each purchase contract is a contract under which upon settlement either the holder will purchase or sell a fixed or variable number of shares of common stock, preferred stock or depositary shares of The PNC Financial Services Group, Inc., debt securities of PNC Funding Corp or securities of third parties.
  - (7) Each unit is a unit comprised of a combination of any of the other securities registered under the registration statement.
  - (8) No separate consideration will be received.
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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

**SUBJECT TO COMPLETION, PRELIMINARY PROSPECTUS DATED JUNE 30, 2005**

**\$2,000,000,000**

# **THE PNC FINANCIAL SERVICES GROUP, INC.**

## **COMMON STOCK, PREFERRED STOCK, PURCHASE CONTRACTS, UNITS, WARRANTS, GUARANTEES AND DEPOSITARY SHARES**

### **PNC FUNDING CORP**

#### **DEBT SECURITIES AND WARRANTS**

We may offer, in one or more offerings, debt securities, common stock, preferred stock, purchase contracts, units, warrants, guarantees and depositary shares having an aggregate initial public offering price of up to \$2,000,000,000. We may also issue common stock, preferred stock or debt securities upon the conversion, exchange or exercise of certain of the securities listed above. When we decide to sell a particular series of securities, we will prepare a prospectus supplement describing those securities and our plan of distribution. You should read this prospectus and any applicable prospectus supplement carefully before you invest.

The common stock of The PNC Financial Services Group, Inc. is listed on the New York Stock Exchange under the symbol "PNC."

These securities are not savings or deposit accounts or other obligations of any bank, and they are not insured by the Federal Deposit Insurance Corporation or any other insurer or governmental agency.

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

The date of this prospectus is \_\_\_\_\_, 2005.

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## ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission using a “shelf” registration process. Under this shelf process, we may from time to time sell any combination of the securities described in this prospectus in one or more offerings up to a total dollar amount of \$2,000,000,000 or the equivalent of this amount in foreign currencies, foreign currency units or composite currencies. We may sell these securities either separately or in units. We also may issue common stock, preferred stock or debt securities upon the conversion, exchange or exercise of certain of the securities described in this prospectus.

This prospectus provides you with a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with the additional information described below under the heading “Where You Can Find More Information.”

The registration statement that contains this prospectus, including the exhibits to the registration statement and the information incorporated by reference, contains additional information about the securities offered under this prospectus. That registration statement can be read at the Securities and Exchange Commission, or SEC, web site or at the SEC offices mentioned below under the heading “Where You Can Find More Information.”

Following the initial distribution of an offering of securities, PNC Capital Markets, Inc., J.J.B. Hilliard, W.L. Lyons, Inc. and other affiliates of ours may offer and sell those securities in secondary market transactions. PNC Capital Markets, Inc., J.J.B. Hilliard, W.L. Lyons, Inc. and other affiliates of ours may act as a principal or agent in these transactions. This prospectus and the applicable prospectus supplement will also be used in connection with these transactions. Sales in any of these transactions will be made at varying prices related to prevailing market prices and other circumstances at the time of sale.

No person is authorized to give any information or to make any representations other than those contained or incorporated by reference in this prospectus or any accompanying prospectus supplement, and, if given or made, such information or representation must not be relied upon as having been authorized. This prospectus and any accompanying prospectus supplement do not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities described in any accompanying prospectus supplement or an offer to sell or the solicitation of an offer to buy such securities in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this prospectus or any accompanying prospectus supplement, nor any sale made hereunder and thereunder, shall, under any circumstances, create any implication that there has been no change in our affairs since the date of this prospectus or that the information contained or incorporated by reference in this prospectus or any accompanying prospectus supplement is correct as of any time subsequent to the date of such information.

## WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement under the Securities Act of 1933, as amended, that registers the distribution of the securities offered under this prospectus. The registration statement, including the attached exhibits and schedules and the information incorporated by reference, contains additional relevant information about us and the securities. The rules and regulations of the SEC allow us to omit from this prospectus certain information included in the registration statement.

In addition, PNC files annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy this information and the registration statement at the SEC’s Public Reference Room, located at 100 F Street, N.E., Room 1580, Washington, D.C. 20459.

You may also obtain copies of this information by mail from the Public Reference Section of the SEC, 100 F Street, N.E., Room 1580, Washington, D.C. 20459, at prescribed rates.

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The SEC also maintains an Internet worldwide web site that contains reports, proxy statements and other information about issuers of securities, like us, who file such material electronically with the SEC. The address of that web site is <http://www.sec.gov>. You also can inspect such reports, proxy statements and other information about us at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005. Our common stock and certain series of our preferred stock are listed on the New York Stock Exchange.

The SEC allows us to “incorporate by reference” into this prospectus. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated is considered part of this prospectus, except for any information that is superseded by information that is included directly in this document or in a later filed document.

This prospectus incorporates by reference the documents listed below that PNC previously filed with the SEC. They contain important information about us.

<u>Company SEC Filings</u>	<u>Period</u>
Annual Report on Form 10-K	Year ended December 31, 2004
Quarterly Report on Form 10-Q	Period ended March 31, 2005
Current Reports on Form 8-K	Date of event: February 10, 2005, February 15, 2005, March 10, 2005 and April 26, 2005 (filed April 29, 2005)

We incorporate by reference additional documents that we may file with the SEC pursuant to Section 13(a), 14, and 15(d) of the Securities Exchange Act of 1934 between the date of this prospectus and the termination of the offering of the securities to be issued under the registration statement, or if later until the date on which any of our affiliates cease offering and selling these securities. Any report, document or portion thereof that is furnished to, but not filed with, the SEC is not incorporated by reference.

You can obtain any of the documents incorporated by reference in this prospectus from us without charge, excluding any exhibits to those documents unless the exhibit is specifically incorporated by reference in the document. You can obtain documents incorporated by reference by requesting them from us. Requests for such documents should be directed to: Computershare Investor Services, LLC, P.O. Box 3504, Chicago, Illinois 60690-3504, or via email at [web.queries@computershare.com](mailto:web.queries@computershare.com), or by calling 800-982-7652. You can also obtain these documents on or through our internet website at [www.pnc.com](http://www.pnc.com).

### **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION**

We make statements in this prospectus, in accompanying prospectus supplements and in the SEC filings incorporated by reference into this prospectus regarding our outlook or expectations for earnings, revenues, expenses and/or other matters regarding or affecting PNC that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act. Forward-looking statements are typically identified by words such as “believe,” “expect,” “anticipate,” “intend,” “outlook,” “estimate,” “forecast,” “project” and other similar words and expressions.

Forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Forward-looking statements speak only as of the date they are made. We do not assume any duty and do not undertake to update our forward-looking statements. Actual results or future events could differ, possibly materially, from those that we anticipated in our forward-looking statements, and future results could differ materially from our historical performance.

In addition to factors that we disclose elsewhere in this prospectus, in accompanying prospectus supplements and in our SEC filings incorporated by reference into this prospectus, our forward-looking statements are subject to, among others, the following risks and uncertainties, which could cause actual results

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or future events to differ materially from those that we anticipated in our forward-looking statements or from our historical performance:

- changes in political, economic or industry conditions, the interest rate environment, or the financial and capital markets (including as a result of actions of the Federal Reserve Board affecting interest rates, the money supply, or otherwise reflecting changes in monetary policy), which could affect: (a) credit quality and the extent of our credit losses; (b) the extent of funding of our unfunded loan commitments and letters of credit; (c) our allowances for loan and lease losses and unfunded loan commitments and letters of credit; (d) demand for our credit or fee-based products and services; (e) our net interest income; (f) the value of assets under management and assets serviced, of private equity investments, of other debt and equity investments, of loans held for sale, or of other on-balance sheet or off-balance sheet assets; or (g) the availability and terms of funding necessary to meet our liquidity needs;
- the impact on us of legal and regulatory developments, including the following: (a) the resolution of legal proceedings or regulatory and other governmental inquiries; (b) increased litigation risk from recent regulatory and other governmental developments; (c) the results of the regulatory examination process, our failure to satisfy the requirements of agreements with governmental agencies, and regulators' future use of supervisory and enforcement tools; (d) legislative and regulatory reforms, including changes to tax laws; and (e) changes in accounting policies and principles, with the impact of any such developments possibly affecting our ability to operate our businesses or our financial condition or results of operations or our reputation, which in turn could have an impact on such matters as business generation and retention, our ability to attract and retain management, liquidity and funding;
- the impact on us of changes in the nature and extent of our competition;
- the introduction, withdrawal, success and timing of our business initiatives and strategies;
- customer acceptance of our products and services, and our customers borrowing, repayment, investment and deposit practices;
- the impact on us of changes in the extent of customer or counterparty delinquencies, bankruptcies or defaults, which could affect, among other things, credit and asset quality risk and our provision for credit losses;
- the ability to identify and effectively manage risks inherent in our businesses;
- how we choose to redeploy available capital, including the extent and timing of any share repurchases and acquisitions or other investments in our businesses;
- the impact, extent and timing of technological changes, the adequacy of intellectual property protection, and costs associated with obtaining rights in intellectual property claimed by others;
- the timing and pricing of any sales of loans or other financial assets held for sale;
- our ability to obtain desirable levels of insurance and to successfully submit claims under applicable insurance policies;
- the relative and absolute investment performance of assets under management; and
- the extent of terrorist activities and international hostilities, increases or continuations of which may adversely affect the economy and financial and capital markets generally or us specifically.

In addition, we grow our business from time to time by acquiring other financial services companies. Acquisitions in general present us with a number of risks and uncertainties related both to the acquisition transactions themselves and to the integration of the acquired businesses into PNC after closing. In particular, acquisitions may be substantially more expensive to complete (including the integration of the acquired company) and the anticipated benefits, including anticipated cost savings and strategic gains, may be significantly harder or take longer to achieve than expected. As a regulated financial institution, our pursuit of attractive acquisition opportunities could be negatively impacted due to regulatory delays or other regulatory issues. Regulatory and/or legal issues of an acquired business may cause reputational harm to PNC following

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the acquisition and integration of the acquired business into ours and may result in additional future costs and expenses arising as a result of those issues. Recent acquisitions, including our acquisition of Riggs National Corporation, continue to present the integration and other post-closing risks and uncertainties described above.

Also, risks and uncertainties that could affect the results anticipated in forward-looking statements or from historical performance relating to our majority-owned subsidiary, BlackRock, Inc., are discussed in more detail in BlackRock's filings with the SEC, accessible on the SEC's website and BlackRock's website at [www.blackrock.com](http://www.blackrock.com).

### **THE PNC FINANCIAL SERVICES GROUP, INC.**

In this prospectus, we use "PNC" to refer to The PNC Financial Services Group, Inc. specifically, "PNC Funding" to refer to PNC Funding Corp specifically; and "we" or "us" to refer collectively to PNC and PNC Funding. References to The PNC Financial Services Group, Inc. and its subsidiaries, on a consolidated basis, are specifically made where applicable.

PNC is a bank holding company registered under the Bank Holding Company Act of 1956, as amended, and a financial holding company under the Gramm-Leach-Bliley Act. PNC was incorporated under Pennsylvania law in 1983 with the consolidation of Pittsburgh National Corporation and Provident National Corporation. Since 1983, PNC has diversified its geographic presence, business mix and product capabilities through strategic bank and nonbank acquisitions and the formation of various nonbanking subsidiaries.

PNC is one of the largest diversified financial services companies in the United States, operating businesses engaged in regional community banking, wholesale banking, wealth management, asset management and global fund processing services. PNC operates directly and through numerous subsidiaries, providing many of our products and services nationally and others in our primary geographic markets in Pennsylvania, New Jersey, Delaware, Ohio, Kentucky and the greater Washington, D.C. region. PNC and its subsidiaries also provide certain asset management and global fund processing services internationally. At March 31, 2005, PNC and its subsidiaries' consolidated assets, deposits, and shareholders' equity were \$83.4 billion, \$55.2 billion, and \$7.6 billion, respectively.

PNC's principal executive offices are located at One PNC Plaza, 249 Fifth Avenue, Pittsburgh, Pennsylvania 15222-2707, and its telephone number is 412-762-2000.

### **PNC FUNDING CORP**

PNC Funding is a wholly owned indirect subsidiary of PNC. PNC Funding was incorporated under Pennsylvania law in 1972 and is engaged in financing the activities of PNC and its subsidiaries through the issuance of commercial paper and other debt guaranteed by PNC.

PNC Funding's principal executive offices are located at One PNC Plaza, 249 Fifth Avenue, Pittsburgh, Pennsylvania 15222-2707, and its telephone number is 412-762-2000.

### **RECENT DEVELOPMENTS**

On May 13, 2005, PNC acquired Riggs National Corporation ("Riggs"), and PNC Bank, National Association, the principal banking subsidiary of PNC, acquired substantially all of the assets of Riggs Bank National Association, the principal banking subsidiary of Riggs. PNC subsequently converted the operations of Riggs Bank to the operations of PNC Bank. Prior to the acquisition, Riggs was the largest bank holding company headquartered in the nation's capital, with fifty-one branches in the Washington, D.C. metropolitan area. At December 31, 2004, Riggs's consolidated assets, deposits, and shareholders' equity were approximately \$6.0 billion, \$3.8 billion and \$318 million, respectively.

In connection with the acquisition, Riggs shareholders received an aggregate of approximately \$297 million in cash and 6.6 million shares of PNC common stock. The value of the final merger consideration to be received by Riggs shareholders was approximately \$19.94 a share.

**USE OF PROCEEDS**

Unless otherwise provided in the applicable prospectus supplement, we will apply the net proceeds from the sale of the securities for general corporate purposes, which may include:

- advances to PNC (in the case of PNC Funding) and its subsidiaries to finance their activities,
- financing of possible future acquisitions,
- repayment of outstanding indebtedness, and
- repurchases of issued and outstanding shares of common and/or preferred stock under authorized programs of PNC.

Until we use the net proceeds for these purposes, we will use the net proceeds to reduce our short term indebtedness or for temporary investments. We expect that we may from time to time engage in additional financings of a character and in amounts to be determined.

**CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES**

The following unaudited table presents our consolidated ratio of earnings to fixed charges. The consolidated ratio of earnings to fixed charges was computed by dividing income from continuing operations before fixed charges and income taxes (which excludes the income from discontinued operations and the cumulative effect of changes in accounting principles) by fixed charges. Fixed charges represent all interest expense (ratios are presented both excluding and including interest on deposits), the portion of net rental expense that is deemed to be equivalent to interest on debt, borrowed funds discount amortization expense and distributions on trust preferred capital securities. Interest expense (other than on deposits) includes interest on bank notes and senior debt, federal funds purchased, repurchase agreements, other borrowed funds and subordinated debt. Because PNC Funding is a provider of funds to PNC and its subsidiaries, fixed charges ratios are presented on a consolidated basis.

	Three Months Ended March 31, 2005	Year Ended December 31,				
		2004	2003	2002	2001	2000
Excluding interest on deposits	4.57x	5.86x	5.53x	5.22x	1.74x	2.79x
Including interest on deposits	2.50	3.06	2.95	2.67	1.28	1.69

**CONSOLIDATED RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS**

The following unaudited table presents our consolidated ratio of earnings to combined fixed charges and preferred stock dividends. The consolidated ratio of earnings to combined fixed charges and preferred stock dividends was computed by dividing income from continuing operations before income taxes (which excludes the income from discontinued operations and the cumulative effect of changes in accounting principles) and fixed charges and preferred stock dividends by fixed charges and preferred stock dividends. Fixed charges represent all interest expense (ratios are presented both excluding and including interest on deposits), the portion of net rental expense that is deemed to be equivalent to interest on debt, borrowed funds discount amortization expense and distributions on trust preferred capital securities. Interest expense (other than on deposits) includes interest on bank notes and senior debt, federal funds purchased, repurchase agreements, other borrowed funds and subordinated debt.

	Three Months Ended March 31, 2005	Year Ended December 31,				
		2004	2003	2002	2001	2000
Excluding interest on deposits	4.57x	5.85x	5.52x	5.21x	1.72x	2.74x
Including interest on deposits	2.50	3.06	2.95	2.67	1.28	1.68



## DESCRIPTION OF DEBT SECURITIES AND GUARANTEES

This section describes the general terms and provisions of the debt securities that PNC Funding may offer, and the guarantees of those debt securities by PNC. The debt securities may be either senior debt securities, subordinated debt securities or convertible senior debt securities. The prospectus supplement will describe the specific terms of the debt securities and guarantees offered through that prospectus supplement and any general terms outlined in this section that will not apply to those debt securities and guarantees.

The debt securities will be issued under:

- an indenture, dated as of December 1, 1991, as supplemented by a supplemental indenture dated as of February 15, 1993, and a second supplemental indenture dated as of February 15, 2000, a copy of which has been filed with the SEC. JPMorgan Chase Bank, N.A., the successor to The Chase Manhattan Bank, formerly known as Chemical Bank, successor by merger to the Manufacturers Hanover Trust Company, is the trustee under the indenture, unless a different trustee for a series of debt securities is named in the prospectus supplement; or
- in the case of convertible senior debt securities, a new indenture, dated as of June 30, 2005, with JPMorgan Chase Bank, N.A., as trustee, for convertible senior debt securities.

For each series of debt securities, a supplemental indenture may be entered into among PNC Funding, PNC and the trustee or such other trustee as may be named in the prospectus supplement relating to that series of debt securities.

We have summarized the material terms and provisions of the indentures in this section. We encourage you to read the indentures for additional information before you buy any debt securities. The summary that follows includes references to section numbers of the indentures so that you can more easily locate these provisions. If the section reference to each indenture is the same, you will see one parenthetical reference. If the section references differ, the second parenthetical refers to the new indenture under which the convertible senior debt securities can be issued. Differences between the indentures are also discussed, where applicable. Because the convertible debt securities will be senior debt securities, the indenture under which the senior convertible debt securities may be issued does not include sections discussing subordination and the related definitions.

### Debt Securities in General

The debt securities will be unsecured obligations of PNC Funding. The indenture does not limit the amount of debt securities that we may issue from time to time in one or more series. (Section 3.01) The indenture provides that debt securities may be issued up to the principal amount authorized by us from time to time. (Section 3.01) Unless otherwise specified in the prospectus supplement for a particular series of debt securities, we may reopen a previous issue of a series of debt securities and issue additional debt securities of that series.

We will specify in the prospectus supplement relating to a particular series of debt securities being offered the terms relating to the offering. The terms may include:

- the title and type of the debt securities,
- the aggregate principal amount of the debt securities,
- the purchase price of the debt securities,
- the date or dates on which debt securities may be issued,
- the date or dates on which the principal of and premium on the debt securities will be payable,
- if the debt securities will be interest bearing:
  - the interest rate on the debt securities or the method by which the interest rate may be determined,
  - the date from which interest will accrue,

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- the record and interest payment dates for the debt securities,
- the first interest payment date,
- any circumstances under which we may defer interest payments,
- the place or places where the principal of, and premium and interest on, the debt securities will be payable,
- any optional redemption provisions that would permit us or the holders of debt securities to redeem the debt securities before their final maturity,
- any sinking fund provisions that would obligate us to redeem the debt securities before their final maturity,
- the denominations in which the debt securities shall be issued, if issued in denominations other than \$1,000 and any integral multiple thereof,
- the portion of the principal amount of the debt securities that will be payable upon an acceleration of the maturity of the debt securities,
- whether payment of the principal of, premium, and interest on, the debt securities will be with or without deduction for taxes, assessments or governmental charges, and with or without reimbursement of taxes, assessments or governmental charges paid by holders,
- any events of default which will apply to the debt securities that differ from those contained in the indenture,
- whether the debt securities will be issued in registered form or in bearer form, or in both registered form and bearer form,
- the currency or currencies in which the debt securities will be denominated, payable, redeemable or repurchaseable,
- whether the debt securities are convertible and the terms and conditions applicable to conversion, including the conversion price or rate at which shares of PNC common stock will be delivered, the circumstances in which such price or rate will be adjusted, the conversion period, and other conversion terms and provisions,
- whether the debt securities of such series will be issued as a global security and, if so, the identity of the depository for such series,
- any trustees, paying agents, transfer agents or registrars for the debt securities,
- any special federal income tax considerations applicable to the debt securities, and
- any other terms of such debt securities.

We intend for any subordinated debt securities offered to be included as regulatory capital under Federal Reserve Board interpretations.

If any of the debt securities are sold for, or if the principal of or any interest on any series of debt securities is payable in, foreign currencies or foreign currency units, the relevant restrictions, elections, tax consequences, specific terms and other information will be set forth in the prospectus supplement.

Although the indenture provides that we may issue debt securities in registered form, with or without coupons, or in bearer form, each series of debt securities will be issued in fully registered form unless the prospectus supplement provides otherwise. Debt securities that are not registered as to interest will have coupons attached, unless issued as original issue discount securities. The indenture under which convertible senior debt securities may be issued does not provide for the issuance of securities with coupons.

The principal of, and premium and interest on, fully registered securities will be payable at the place of payment designated for such securities and stated in the prospectus supplement. PNC Funding also has the

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right to make interest payments by check mailed to the holder at the holder's registered address. The principal of, and premium, if any, and interest on any debt securities in other forms will be payable in the manner and at the place or places as may be designated by PNC Funding and specified in the prospectus supplement. (Sections 3.01 and 5.01) (Sections 3.01 and 10.01)

You may exchange or transfer the debt securities at the corporate trust office of the trustee for the series of debt securities or at any other office or agency maintained by us for those purposes. You may transfer bearer debt securities by delivery. We will not require payment of a service charge for any transfer or exchange of the debt securities, but PNC Funding may require payment of a sum sufficient to cover any applicable tax or other governmental charge. (Section 3.05)

Unless the prospectus supplement provides otherwise, each series of the debt securities will be issued only in denominations of \$1,000 or any integral multiple thereof and payable in dollars. (Section 3.02) Under the indenture, however, debt securities may be issued in any denomination and payable in a foreign currency or currency unit. (Section 3.01)

We may issue debt securities with "original issue discount." Original issue discount debt securities bear no interest or bear interest at below-market rates and will be sold below their stated principal amount. The prospectus supplement will describe any special federal income tax consequences and other special considerations applicable to any securities issued with original issue discount.

### **Senior Debt Securities**

The senior debt securities, including convertible senior debt securities, will rank equally with all senior indebtedness of PNC Funding. At March 31, 2005, the outstanding senior indebtedness of PNC Funding was approximately \$1.8 billion.

"Senior indebtedness of PNC Funding" means the principal of, and premium and interest on, (i) all "indebtedness for money borrowed" of PNC Funding whether outstanding on the date of execution of the indenture or thereafter created, assumed or incurred, and (ii) any deferrals, renewals or extensions of any such indebtedness. The following indebtedness of PNC Funding, however, is not considered to be senior indebtedness of PNC Funding:

- 6<sup>7</sup>/<sub>8</sub>% Subordinated Notes Due 2007,
- 6<sup>1</sup>/<sub>2</sub>% Subordinated Notes Due 2008,
- 6<sup>1</sup>/<sub>8</sub>% Subordinated Notes Due 2009,
- 7.50% Subordinated Notes Due 2009, and
- 5<sup>1</sup>/<sub>4</sub>% Subordinated Notes Due 2015.

The term "indebtedness for money borrowed" means:

- any obligation of, or any obligation guaranteed by, PNC Funding for the repayment of money borrowed, whether or not evidenced by bonds, debentures, notes or other written instruments,
- any capitalized lease obligation, and
- any deferred obligation for payment of the purchase price of any property or assets. (Section 1.01)

There is no limitation on PNC Funding creating, incurring or issuing additional senior indebtedness.

### **Subordinated Debt Securities**

The subordinated debt securities will rank equally with all other unsecured subordinated indebtedness of PNC Funding. The subordinated debt securities will be subordinated in right of payment to all senior indebtedness of PNC Funding. (Section 12.01) In certain events of insolvency of PNC Funding, the subordinated debt securities will also be effectively subordinated in right of payment to all "other company

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obligations” and will be subject to an obligation of PNC Funding to pay any “excess proceeds” (as defined in the indenture) to creditors in respect of any unpaid “other company obligations.” (Section 12.13).

“Other company obligations” means obligations of PNC Funding associated with derivative products such as interest rate and currency exchange contracts, foreign exchange contracts, commodity contracts, or any similar arrangements, unless the instrument by which PNC Funding incurred, assumed or guaranteed the obligation expressly provides that it is subordinate or junior in right of payment to any other indebtedness or obligations of PNC Funding. (Section 1.01) At March 31, 2005, PNC Funding had \$110 million of “other company obligations”.

Upon the liquidation, dissolution, winding up, or reorganization of PNC Funding, PNC Funding must pay to the holders of all senior indebtedness of PNC Funding the full amounts of principal of, and premium and interest on, that senior indebtedness before any payment is made on the subordinated debt securities. If, after PNC Funding has made those payments on the senior indebtedness:

- (i) there are amounts available for payment on the subordinated debt securities (as defined in the indenture, “excess proceeds”), and (ii) at such time, any creditors in respect of “other company obligations” have not received their full payments, then
- PNC Funding shall first use such excess proceeds to pay in full all such “other company obligations” before PNC Funding makes any payment in respect of the subordinated debt securities. (Section 12.02)

In addition, PNC Funding may not make any payment on the subordinated debt securities in the event:

- PNC Funding has failed to make full payment of the principal of, or premium, if any, or interest on any senior indebtedness of PNC Funding, or
- any event of default with respect to any senior indebtedness of PNC Funding has occurred and is continuing, or would occur as a result of such payment on the subordinated debt securities. (Section 12.03)

Because of the subordination provisions and the obligation to pay excess proceeds, in the event of insolvency, holders of the subordinated debt securities may recover less, ratably, than holders of senior indebtedness of PNC Funding and “other company obligations” and other creditors of PNC Funding. (Sections 12.01, 12.02, 12.03, and 12.13)

PNC Funding’s obligations under the subordinated debt securities will rank equally in right of payment with each other, subject to the obligations of the holders of subordinated debt securities to pay over any excess proceeds to creditors in respect of “other company obligations” as provided in the indenture. (Section 12.13)

### **Guarantees in General**

PNC will unconditionally guarantee the due and punctual payment of the principal of, premium, if any, and interest on the debt securities when and as the same shall become due and payable, whether at maturity, upon redemption or otherwise. (Section 3.12) (Section 3.11)

PNC is a holding company that conducts substantially all its operations through subsidiaries. As a result, claims of the holders of the guarantees will generally have a junior position to claims of creditors of PNC’s subsidiaries (including, in the case of any bank subsidiary, its depositors), except to the extent that PNC may itself be a creditor with recognized claims against the subsidiary. In addition, there are certain regulatory and other limitations on the payment of dividends and on loans and other transfers of funds to PNC by its bank subsidiaries.

### **Guarantees of Senior Debt Securities**

The guarantees of senior debt securities, including convertible senior debt securities, will rank equally with all senior indebtedness of PNC. At March 31, 2005, the outstanding senior indebtedness of PNC was

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approximately \$1.8 billion, which as of that date consisted entirely of the guarantee of senior indebtedness of PNC Funding.

“Senior indebtedness of PNC” means the principal of, and premium, if any, and interest on, (i) all “indebtedness for money borrowed” of PNC, whether outstanding on the date of execution of the indenture or thereafter created, assumed or incurred, and (ii) any deferrals, renewals or extensions of any such indebtedness of PNC. (Section 1.01) The following indebtedness of PNC is, however, not considered to be senior indebtedness of PNC:

- PNC’s guarantee of the following indebtedness of PNC Funding:
  - 6<sup>7</sup>/<sub>8</sub>% Subordinated Notes Due 2007,
  - 6<sup>1</sup>/<sub>2</sub>% Subordinated Notes Due 2008,
  - 6<sup>1</sup>/<sub>8</sub>% Subordinated Notes Due 2009,
  - 7.50% Subordinated Notes Due 2009, and
  - 5<sup>1</sup>/<sub>4</sub>% Subordinated Notes Due 2015.

The term “indebtedness for money borrowed” means

- any obligation of, or any obligation guaranteed by, PNC for the repayment of money borrowed, whether or not evidenced by bonds, debentures, notes or other written instruments,
- any capitalized lease obligation, and
- any deferred obligation for payment of the purchase price of any property or assets. (Section 1.01)

“Senior indebtedness of PNC” includes PNC’s guarantee of the following senior notes of PNC Funding:

- 5.75% Senior Notes Due 2006,
- 4.2% Senior Notes Due 2008, and
- 4.5% Senior Notes Due 2010.

“Senior indebtedness of PNC” also includes PNC’s guarantee of any outstanding commercial paper issued by PNC Funding. At March 31, 2005 PNC Funding had no outstanding commercial paper. There is no limitation under the indenture on the issuance of additional senior indebtedness of PNC.

### **Guarantees of Subordinated Debt Securities**

The guarantees of the subordinated debt securities (“subordinated guarantees”) will be subordinated in right of payment to all senior indebtedness of PNC. (Section 12.04) In certain events of insolvency of PNC, the subordinated guarantees will also be effectively subordinated in right of payment to all “other guarantor obligations” (as defined in the indenture). (Section 12.05) “Other guarantor obligations” means obligations of PNC associated with derivative products such as interest rate and currency exchange contracts, foreign exchange contracts, commodity contracts or any similar arrangements, unless the instrument by which PNC incurred, assumed or guaranteed the obligation expressly provides that it is subordinate or junior in right of payment to any other indebtedness or obligations of PNC. (Section 1.01) At March 31, 2005, there were no “other guarantor obligations” of PNC.

Upon the liquidation, dissolution, winding up, or reorganization of PNC, PNC must pay to the holders of all senior indebtedness of PNC the full amounts of principal of, and premium and interest on, that senior indebtedness before any payment is made on the subordinated debt securities. If, after PNC has made those payments on the senior indebtedness:

- (i) there are amounts available for payment on the subordinated debt securities (as defined in the indenture, “excess proceeds”), and (ii) at such time, any creditors in respect of “other guarantor obligations” have not received their full payments, then

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- PNC shall first use such excess proceeds to pay in full all such “other guarantor obligations” before PNC makes any payment in respect of the subordinated debt securities. (Section 12.05)

In addition, PNC may not make any payment on the subordinated debt securities in the event:

- PNC has failed to make full payment of the principal of, or premium, if any, or interest on any senior indebtedness of PNC, or
- any event of default with respect to any senior indebtedness of PNC has occurred and is continuing, or would occur as a result of such payment on the subordinated debt securities. (Section 12.06)

Because of the subordination provisions and the obligation to pay excess proceeds, in the event of insolvency, holders of subordinated guarantees of PNC may recover less, ratably, than holders of senior indebtedness of PNC, “other guarantor obligations” and existing guarantor subordinated indebtedness (as defined in the indenture) and other creditors of PNC. (Section 3.12, 12.04, 12.05, 12.06 and 12.14)

As provided in the indenture, in the event of insolvency of PNC, the holders of the subordinated guarantees are subject to an obligation to pay any excess proceeds to creditors in respect of any unpaid “other guarantor obligations” (as defined in the indenture).

The subordinated guarantees will also rank equally in right of payment with PNC’s guarantee of the following subordinated notes of PNC Funding:

- 6<sup>7</sup>/<sub>8</sub>% Subordinated Notes Due 2007,
- 6<sup>1</sup>/<sub>2</sub>% Subordinated Notes Due 2008,
- 6<sup>1</sup>/<sub>8</sub>% Subordinated Notes Due 2009,
- 7.50% Subordinated Notes Due 2009, and
- 5<sup>1</sup>/<sub>4</sub>% Subordinated Notes Due 2015.

As with holders of the subordinated guarantees, the holders of the foregoing guarantees of the subordinated notes of PNC Funding are subject to an obligation to pay any excess proceeds to creditors in respect of any unpaid “other guarantor obligations.” Therefore, in the event of insolvency of PNC, holders of the subordinated guarantees will recover the same, ratably, as holders of PNC’s guarantees of such subordinated notes of PNC Funding.

PNC’s junior subordinated debentures, discussed on pages 23 and 26, rank junior to the subordinated guarantees.

### **Effect of Subordination Provisions**

By reason of the subordination provisions described above and as described more fully in the applicable prospectus supplement, in the event of insolvency of PNC Funding, holders of subordinated notes may recover less, ratably, than holders of senior indebtedness of PNC Funding and “other company obligations.” Holders of subordinated notes may also recover less, ratably, than other creditors of PNC Funding. Similarly, holders of subordinated guarantees may recover less, ratably, than holders of senior indebtedness of PNC and “other guarantor obligations,” and may also recover less, ratably, than holders of other creditors of PNC.

### **Certain Covenants**

The indenture contains certain covenants that impose various restrictions on us and, as a result, afford the holders of debt securities certain protections. Although statements have been included in this prospectus as to the general purpose and effect of the covenants, investors must review the full text of the covenants to be able to evaluate meaningfully the covenants.

***Restriction on Sale or Issuance of Voting Stock of a Principal Subsidiary Bank***

The covenant described below is designed to ensure that, for so long as any senior debt securities or convertible senior debt securities are issued and outstanding, PNC will continue directly or indirectly to own and thus serve as the holding company for its “principal subsidiary banks.” When we use the term “principal subsidiary banks,” we mean each of:

- PNC Bank, National Association (“PNC Bank”),
- any other subsidiary bank the consolidated assets of which constitute 20% or more of the consolidated assets of PNC and its subsidiaries,
- any other subsidiary bank designated as a principal subsidiary bank by the board of directors of PNC, or
- any subsidiary that owns any voting shares or certain rights to acquire voting shares of any principal subsidiary bank, and their respective successors, provided any such successor is a subsidiary bank or a subsidiary, as appropriate.

As of the date hereof, our only principal subsidiary banks are PNC Bank and its parent, PNC Bancorp, Inc.

The indenture prohibits PNC, unless debtholder consent is obtained from the holders of senior debt securities and convertible senior debt securities, from:

- selling or otherwise disposing of, and permitting a principal subsidiary bank to issue, voting shares or certain rights to acquire voting shares of a principal subsidiary bank,
- permitting the merger or consolidation of a principal subsidiary bank with or into any other corporation, or
- permitting the sale or other disposition of all or substantially all the assets of any principal subsidiary bank, if, after giving effect to any one of such transactions and the issuance of the maximum number of voting shares issuable upon the exercise of all such rights to acquire voting shares of a principal subsidiary bank, PNC would own directly or indirectly less than 80% of the voting shares of such principal subsidiary bank.

These restrictions do not apply to:

- transactions required by any law, or any regulation or order of any governmental authority,
- transactions required as a condition imposed by any governmental authority to the acquisition by PNC, directly or indirectly, or any other corporation or entity if thereafter,
  - PNC would own at least 80% of the voting shares of the other corporation or entity,
  - the consolidated banking assets of PNC would be at least equal to those prior thereto, and
  - the board of directors of PNC shall have designated the other corporation or entity a principal subsidiary bank,
- transactions that do not reduce the percentage of voting shares of such principal subsidiary bank owned directly or indirectly by PNC, and
- transactions where the proceeds are invested within 180 days after such transaction in any one or more subsidiary banks.

The indenture, however, does permit the following:

- the merger of a principal subsidiary bank with and into a principal subsidiary bank or PNC,
- the consolidation of principal subsidiary banks into a principal subsidiary bank or PNC, or

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• the sale or other disposition of all or substantially all of the assets of any principal subsidiary bank to another principal subsidiary bank or PNC, if, in any such case in which the surviving, resulting or acquiring entity is not PNC, PNC would own, directly or indirectly, at least 80% of the voting shares of the principal subsidiary bank surviving such merger, resulting from such consolidation or acquiring such assets. (Section 5.06) (Section 10.06)

### ***Ownership of PNC Funding***

The indenture contains a covenant that, so long as any of the debt securities are outstanding, PNC will continue to own, directly or indirectly, all of the outstanding voting shares of PNC Funding. (Section 5.07) (Section 10.07)

### ***Restriction on Liens***

The purpose of the restriction on liens covenant is to preserve PNC's direct or indirect interest in voting shares of principal subsidiary banks free of security interests of other creditors. The covenant permits certain specified liens and liens where the senior debt securities are equally secured. The indenture prohibits PNC and its subsidiaries from creating or permitting any liens (other than certain tax and judgment liens) upon voting shares of any principal subsidiary bank to secure indebtedness for borrowed money unless the senior debt securities are equally and ratably secured. Notwithstanding this prohibition, PNC may create or permit the following:

- purchase money liens and liens on voting shares of any principal subsidiary bank existing at the time such voting shares are acquired or created within 120 days thereafter,
- the acquisition of any voting shares of any principal subsidiary bank subject to liens at the time of acquisition or the assumption of obligations secured by a lien on such voting shares,
- under certain circumstances, renewals, extensions or refunding of the liens described in the two preceding bullets, and
- liens to secure loans or other extensions of credit under Section 23A of the Federal Reserve Act or any successor or similar federal law or regulation. (Section 5.08) (Section 10.08)

### ***Consolidation or Merger***

The covenant described below protects the holders of debt securities upon certain transactions involving PNC Funding or PNC by requiring any successor to PNC Funding or PNC to assume the predecessor's obligations under the indenture. In addition, the covenant prohibits such transactions if they would result in an event of default, a default or an event which could become an event of default or a default under the indenture. PNC Funding or PNC may consolidate with, merge into, or transfer substantially all of its properties to, any other corporation organized under the laws of any domestic jurisdiction, if:

- the successor corporation assumes all obligations of PNC Funding or PNC, as the case may be, under the debt securities and the guarantees and under the indenture and for convertible debt securities provides for conversion rights in accordance with the terms of the indenture,
- immediately after the transaction, no event of default or default, and no event which, after notice or lapse of time, would become an event of default or default, exists, and
- certain other conditions are met. (Sections 10.01 and 10.03) (Sections 8.01 and 8.03)

The indenture does not limit our ability to enter into a highly leveraged transaction or provide you with any special protection in the event of such a transaction.



**Modification and Waiver**

We and the trustee may modify the indenture with the consent of the holders of the majority in aggregate principal amount of outstanding debt securities of each series affected by the modification. The following modifications and amendments, however, will not be effective against any holder without the holder's consent:

- change the stated maturity of any payment of principal or interest,
- reduce the principal amount of, or the premium, if any, or the interest on such debt security,
- reduce the portion of the principal amount of an original issue discount debt security, payable upon acceleration of the maturity of that debt security,
- change the place or places where, or the currency in which, any debt security or any premium or interest is payable,
- impair the right of the holder to institute suit for the enforcement of any payment on or with respect to any debt security,
- reduce the percentage in principal amount of debt securities necessary to modify the indenture or the percentage in principal amount of outstanding debt securities necessary to waive compliance with conditions and defaults under the indenture, or
- modify or affect the terms and conditions of the guarantees in any manner adverse to the holder. (Section 9.02)

We and the trustee may modify and amend the indenture without the consent of any holder of debt securities for any of the following purposes:

- to evidence the succession of another corporation to PNC Funding or PNC,
- to provide for the acceptance of appointment of a successor trustee,
- to add to the covenants of PNC Funding or PNC for the benefit of the holders of debt securities,
- to cure any ambiguity, defect or inconsistency in the indenture, if such action does not adversely affect the holders of debt securities in any material respect,
- to secure the debt securities under applicable provisions of the indenture,
- to establish the form or terms of debt securities,
- to permit the payment in the United States of principal, premium or interest on unregistered securities, or
- to provide for the issuance of uncertificated debt securities in place of certificated debt securities. (Section 9.01)

In addition, the holders of a majority in principal amount of outstanding debt securities of any series may, on behalf of all holders of that series, waive compliance with certain covenants, including those described under the captions above entitled "Restriction on Sale or Issuance of Voting Stock of a Principal Subsidiary Bank," "Ownership of PNC Funding" and "Restriction on Liens." (Section 5.09) (Section 10.09) No waiver by the holders of any series of subordinated debt securities is required with respect to the covenant described under the caption above entitled "Restriction on Sale or Issuance of Voting Stock of a Principal Subsidiary Bank." (Section 5.10) Covenants concerning the payment of principal, premium, if any, and interest on the debt securities, compliance with the terms of the indenture, maintenance of an agency, and certain monies held in trust may only be waived pursuant to a supplemental indenture executed with the consent of each affected holder of debt securities. The covenant concerning certain reports required by federal law may not be waived.

**Events of Default, Defaults, Waivers**

The indenture defines an event of default with respect to any series of senior debt securities as being any one of the following events unless such event is specifically deleted or modified in connection with the establishment of the debt securities of a particular series:

- failure to pay interest on such series for 30 days after the payment is due,
- failure to pay the principal of or premium, if any, on such series when due,
- failure to deposit any sinking fund payment with respect to such series when due,
- failure to perform any other covenant or warranty in the indenture that applies to such series for 90 days after we have received written notice of the failure to perform in the manner specified in the indenture,
- the occurrence of certain events relating to bankruptcy, insolvency or reorganization of either of us or any principal subsidiary bank, or
- any other event of default specified in the supplemental indenture under which such senior debt securities are issued or in the form of security for such securities. (Section 7.01(a)) (Section 5.01)

The indenture defines an event of default with respect to any series of subordinated debt securities as certain events involving the bankruptcy or reorganization of PNC or any principal subsidiary bank, or any other event of default specified in the supplemental indenture under which such subordinated debt securities are issued or in the form of securities for such series. (Section 7.01(b)) There is no right of acceleration in the case of events involving the bankruptcy, insolvency or reorganization of PNC Funding or of a default in the payment of principal, interest, premium, if any, or any sinking fund payment with respect to a series of subordinated debt securities or in the case of a default in the performance of any other covenant of PNC Funding or PNC in the indenture. Accordingly, payment of principal of any series of subordinated debt may be accelerated only in the case of the bankruptcy or reorganization of PNC or any principal subsidiary bank.

If an event of default occurs and is continuing with respect to any series of debt securities, either the trustee or the holders of at least 25% in principal amount of outstanding debt securities of that series may declare the principal of such series (or if debt securities of that series are original issue discount securities, a specified amount of the principal) to be due and payable immediately. Subject to certain conditions, the holders of a majority in principal amount of the outstanding debt securities of such series may rescind such declaration and waive certain defaults. Prior to any declaration of acceleration, the holders of a majority in principal amount of the outstanding debt securities of the applicable series may waive any past default or event of default, except a payment default, or a past default or event of default in respect of a covenant or provision of the indenture which cannot be modified without the consent of the holder of each outstanding debt security affected. (Sections 7.02, 7.08 and 7.13) (Sections 5.02, 5.08 and 5.13)

The indenture defines a default with respect to any series of subordinated debt securities as being any one of the following events unless such event is specifically deleted or modified in connection with the establishment of the debt securities of a particular series:

- failure to pay interest on such series for 30 days after the payment is due,
- failure to pay the principal of or premium, if any, on such series when due,
- failure to perform any other covenant or warranty in the indenture that applies to such series for 90 days after we have received written notice of the failure to perform in the manner specified in the indenture,
- any other event of default specified in the supplemental indenture under which such subordinated debt securities are issued or in the form of security for such securities, or
- events involving the bankruptcy, insolvency or reorganization of PNC Funding. (Section 7.01(c))

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A breach of the covenant described under the caption above entitled “Restriction on Sale or Issuance of Voting Stock of a Principal Subsidiary Bank” will not result in a default with respect to any series of subordinated debt securities. (Sections 7.01(b) and (c))

Other than its duties in the case of an event of default or a default, the trustee is not obligated to exercise any of the rights or powers in the indenture at the request or direction of holders of debt securities unless such holders offer the trustee reasonable security or indemnity. If reasonable indemnification is provided, then, subject to the other rights of the trustee, the holders of a majority in principal amount of the outstanding debt securities of any series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee with respect to debt securities of such series. (Sections 8.03 and 7.12) (Sections 6.03 and 5.12)

The indenture provides that if default is made on payment of interest and continues for a 30 day period or if default is made on payment of principal of any debt security of any series, PNC Funding will, upon demand of the trustee, pay to it, for the benefit of the holder of any such debt security, the whole amount then due and payable on such debt security for principal and interest. The indenture further provides that if PNC Funding fails to pay such amount immediately upon such demand, the trustee may, among other things, institute a judicial proceeding for its collection. (Section 7.03) (Section 5.03)

The indenture requires us to furnish annually to the trustee certificates as to the absence of any default under the indenture. The trustee may withhold notice to the holders of debt securities of any default (except in payment of principal, premium, if any, interest or sinking fund installment) if the trustee determines that the withholding of the notice is in the interest of those holders. (Sections 5.04 and 8.02) (Sections 10.04 and 6.02)

The holder of any debt security of any series may institute any proceeding with respect to the indenture or for any remedy thereunder if:

- a holder previously has given the trustee written notice of a continuing event of default or default with respect to debt securities of that series,
- the holders of at least 25% in principal amount of the outstanding debt securities of that series have made a written request, and offered reasonable indemnity, to the trustee to institute such proceeding,
- the trustee has not received directions inconsistent with such request from the holders of a majority in principal amount of the outstanding debt securities of that series, and
- the trustee has not started such proceeding within 60 days after receiving the request. (Section 7.07) (Section 5.07)

The holder of any debt security will have, however, an absolute right to receive payment of the principal of, and premium, if any, and interest on such debt security when due and to institute suit to enforce any such payment. (Section 7.08) (Section 5.08)

### **Convertibility**

The convertible senior debt securities may, at the option of the holder, be converted into common stock of PNC in accordance with the term of such series. You should refer to the applicable prospectus supplement for a description of the specific conversion provisions and terms of any series of convertible senior debt securities that we may offer by that prospectus supplement. These terms and provisions may include:

- the title and specific designation of the convertible debt securities;
- the terms and conditions upon which conversion of the convertible debt securities may be effected, including the conversion price or rate, the conversion period and other conversion provisions;
- any circumstances in which the conversion price or rate will be adjusted;
- the terms and conditions on which we may, or may be required to, redeem the convertible debt securities;

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- the place or places where we must pay the convertible debt securities and where any convertible debt securities issued in registered form may be sent for transfer, conversion or exchange; and
- any other terms of the convertible debt securities and any other deletions from or modifications or additions to the indenture in respect of the convertible debt securities.

### **Defeasance**

*Senior and Subordinated Debt Securities Other than Convertible Senior Debt Securities.* In the case of debt securities other than convertible senior debt securities and except as may otherwise be provided in any applicable prospectus supplement, the indenture provides that we will be discharged from our obligations under the debt securities of a series at any time prior to the stated maturity or redemption thereof when we have irrevocably deposited in trust with the trustee money and/or government securities which through the payment of principal and interest in accordance with their terms will provide sufficient funds, without reinvestment, to repay in full the debt securities of such series. Deposited funds will be in the currency or currency unit in which the debt securities are denominated. Deposited government securities will be direct obligations of, or obligations the principal of and interest on which are fully guaranteed by, the government which issued the currency in which the debt securities are denominated, and which are not subject to prepayment, redemption or call. Upon such discharge, the holders of the debt securities of such series will no longer be entitled to the benefits of the indenture, except for the purposes of registration of transfer and exchange of the debt securities of such series, and replacement of lost, stolen or mutilated debt securities, and may look only to such deposited funds or obligations for payment. (Sections 11.01 and 11.02)

For federal income tax purposes, the deposit and discharge may, depending on a variety of factors, result in a taxable gain or loss being recognized by the holders of the affected debt securities. You are urged to consult your own tax advisers as to the specific consequences of such a deposit and discharge, including the applicability and effect of tax laws other than federal income tax laws.

*Convertible Senior Debt Securities.* We may choose to defease the convertible senior debt securities in one of two ways as follows. If we do so choose, we will state that in the prospectus supplement.

(1) *Full Defeasance.* We may terminate or “defease” our obligations under the indenture of any series of convertible senior debt securities, provided that certain conditions are met, including:

- we must irrevocably deposit in trust for the benefit of all holders, a combination of U.S. dollars or U.S. government obligations, specified in the applicable prospectus supplement, that will generate enough cash to make interest, principal and any other payments on the debt securities on their applicable due dates;
- there must be a change in current federal tax law or an IRS ruling that lets us make the above deposit without causing you to be taxed on your security any differently than if we did not make the deposit and just repaid the security. Under current tax law you could recognize gain or loss; and
- an opinion of independent counsel shall have been delivered to the trustee to the effect that the holders of the debt securities of such series will have no federal income tax consequences as a result of such deposit and termination and that if the securities are listed on the NYSE they will not be delisted.

If we ever fully defease your debt security, you will have to rely solely on the trust deposit for payments on your debt security. You could not look to us for repayment in the unlikely event of any shortfall. Conversely, the trust deposit would most likely be protected from claims of our lenders and other creditors if we ever became bankrupt or insolvent. Your right to convert your debt security remains after defeasance.

(2) *Covenant Defeasance.* Under current federal tax law, we can make the same type of deposit described above and be released from some of the restrictive covenants relating to your debt security. This is called “covenant defeasance.” In that event, you would lose the protection of those restrictive covenants but

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would gain the protection of having money and securities set aside in trust to repay your debt security. In order to achieve covenant defeasance, we must do the following:

- deposit in trust for the benefit of the holders of the debt securities a combination of U.S. dollars and U.S. government obligations specified in the applicable prospectus supplement, that will generate enough cash to make interest, principal and any other payments on the debt securities on their applicable due dates; and
- deliver to the trustee a legal opinion of our counsel confirming that under current federal income tax law we may make the above deposit without causing you to be taxed on your debt security any differently than if we did not make the deposit and just repaid the debt security ourselves. (Sections 13.01-13.06)

### **Governing Law**

The indenture provides that the debt securities and the guarantees will be governed by, and construed, in accordance with, the laws of the Commonwealth of Pennsylvania. (Section 1.13) (Section 1.12)

### **Global Securities**

#### ***Book-Entry System***

We may issue the debt securities of a series in whole or in part in the form of a global security that will be deposited with a depository. The depository will be The Depository Trust Company (“DTC”), unless otherwise identified in the prospectus supplement relating to the series. A global security may be issued as either a registered or unregistered security and in either temporary or permanent form. Unless and until it is exchanged in whole or in part for individual certificates evidencing debt securities in definitive form represented thereby, a global security may not be transferred except as a whole by the depository for such global security or any nominee thereof to a successor of such depository or a nominee of such successor. (Section 2.05).

If DTC is the depository for a series of debt securities, the series will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered global security will be issued for the series of debt securities, in the aggregate principal amount of the series, and will be deposited with DTC. If, however, the aggregate principal amount of the series of debt securities exceeds \$400 million, one global security will be issued with respect to each \$400 million of principal amount and an additional global security will be issued with respect to any remaining principal amount of the series.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants (“direct participants”) deposit with DTC. DTC also facilitates the settlement among direct participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in direct participants’ accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its direct participants and by the New York Stock Exchange, Inc., the American Stock Exchange LLC and the National Association of Securities Dealers (NASD). Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly (“indirect participants”). The rules applicable to DTC and its participants are on file with the SEC. Purchases of a series of debt securities under the DTC system must be made by or through direct participants, which will receive a credit for the debt securities on DTC’s records. The ownership interest of each actual purchaser of each debt security (“beneficial owner”) is in turn to be recorded on the direct participants’ and indirect participants’

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records. Beneficial owners will not receive written confirmation from DTC of their purchase, but beneficial owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the direct participants or indirect participants through which the beneficial owner entered into the transaction. Transfers of ownership interests in the debt securities are to be accomplished by entries made on the books of the direct participants or indirect participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interest in the global security or global securities, except in the event that use of the book-entry system for the series of debt securities is discontinued.

To facilitate subsequent transfers, all global securities deposited by direct participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of global securities with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has advised us that DTC will have no knowledge of the actual beneficial owners of the global securities, and that DTC's records reflect only the identity of the direct participants to whose accounts global securities are credited, which may or may not be the beneficial owners. The direct participants and indirect participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants and by direct participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

To the extent any series of debt securities is redeemable, redemption notices will be sent to DTC. If less than all of the debt securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each direct participant in such issue to be redeemed. The applicable prospectus supplement for a series of debt securities will indicate whether such series is redeemable.

To the extent applicable, neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to any global securities deposited with it. Under its usual procedures, DTC will mail an omnibus proxy to the issuer as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants to whose accounts the debt securities are credited on the record date (identified in a listing attached to the omnibus proxy).

Principal and interest payments on the global securities deposited with DTC will be made to Cede & Co., as nominee of DTC, or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit direct participants' accounts, upon DTC's receipt of funds and corresponding detail information from the issuer, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as in the case of securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such participant and not DTC or PNC Funding, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) will be the responsibility of the trustee, who unless otherwise indicated in the applicable prospectus supplement, will be PNC Funding's paying agent. Disbursement of such payments to direct participants will be the responsibility of DTC, and disbursement of such payments to beneficial owners will be the responsibility of direct participants and indirect participants. None of PNC Funding, PNC, the trustee, any paying agent, or the registrar for the debt securities will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests of the global security or global securities for any series of debt securities or for maintaining, supervising or reviewing any records relating to such beneficial interests.

If DTC is at any time unwilling, unable or ineligible to continue as the depository and a successor depository is not appointed by PNC Funding within 90 days, PNC Funding will issue certificated debt securities for each series in definitive form in exchange for each global security. If PNC Funding determines not to have a series of debt securities represented by a global security, which it may do, it will issue certificated

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debt securities for such series in definitive form in exchange for the global security. In either instance, a beneficial owner will be entitled to physical delivery of certificated debt securities for such series in definitive form equal in principal amount to such beneficial owner's beneficial interest in the global security and to have such certificated debt securities for such series registered in such beneficial owner's name. Certificated debt securities so issued in definitive form will be issued in denominations of \$1,000 and integral multiples thereof and will be issued in registered form only, without coupons.

Beneficial interests in the global debt securities will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. If so stated in the relevant prospectus supplement, beneficial owners may elect to hold interests in the debt securities through either DTC (in the United States) or Clearstream Banking S.A., or "Clearstream, Luxembourg" formerly Cedelbank, or through Euroclear Bank S.A./ N.V., as operator of the Euroclear System, or "Euroclear" (in Europe), either directly if they are participants of such systems or indirectly through organizations that are participants in such systems. Clearstream, Luxembourg and Euroclear will hold interests on behalf of their participants through customers' securities accounts in Clearstream, Luxembourg's and Euroclear's names on the books of their U.S. depositories, which in turn will hold such interests in customers' securities accounts in the U.S. depositories' names on the books of DTC.

Clearstream, Luxembourg has advised us that it is incorporated under the laws of Luxembourg as a bank. Clearstream, Luxembourg holds securities for its customers and facilitates the clearance and settlement of securities transactions between its customers through electronic book-entry changes in accounts of its customers, thereby eliminating the need for physical movement of certificates. Clearstream, Luxembourg provides to its customers, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream, Luxembourg interfaces with domestic markets in over 30 countries. As a bank, Clearstream, Luxembourg is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector (Commission de Surveillance du Secteur Financier). Clearstream, Luxembourg customers are recognized financial institutions around the world, including securities brokers and dealers, banks, trust companies, clearing corporations and other organizations, and may include the underwriters. Clearstream's U.S. customers are limited to securities brokers and dealers and banks. Indirect access to Clearstream, Luxembourg is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with Clearstream, Luxembourg customers either directly or indirectly.

Euroclear has advised us that it was created in 1968 to hold securities for participants of Euroclear and to clear and settle transactions between Euroclear participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfer of securities and cash. Euroclear includes various other services, including securities lending and borrowing and interfaces with domestic markets in several countries. Euroclear is operated by the Euroclear Bank S.A./ N.V. (the "Euroclear Operator"), under contract with Euroclear Clearance Systems, S.C., a Belgian cooperative corporation (the "Cooperative"). All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator, not the Cooperative. The Cooperative establishes policy for Euroclear on behalf of Euroclear participants. Euroclear participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the underwriters. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly.

The Euroclear Operator has advised us as follows: Under Belgian law, beneficial owners that are credited with securities on the records of the Euroclear Operator have a co-proprietary right in the fungible pool of interests in securities on deposit with the Euroclear Operator in an amount equal to the amount of interests in securities credited to their accounts. In the event of the insolvency of the Euroclear Operator, Euroclear participants would have a right under Belgian law to the return of the amount and type of interests in securities credited to their accounts with the Euroclear Operator. If the Euroclear Operator did not have a sufficient amount of interests in securities on deposit of a particular type to cover the claims of all participants credited with such interests in securities on the Euroclear Operator's records, all participants having an amount of

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interests in securities of such type credited to their accounts with the Euroclear Operator would have the right under Belgian law to the return of their pro rata share of the amount of interests in securities actually on deposit. Euroclear has further advised that beneficial owners that acquire, hold and transfer interests in the debt securities by book-entry through accounts with the Euroclear Operator or any other securities intermediary are subject to the laws and contractual provisions governing their relationship with their intermediary, as well as the laws and contractual provisions governing the relationship between such an intermediary and each other intermediary, if any, standing between themselves and the global securities.

Under Belgian law, the Euroclear Operator is required to pass on the benefits of ownership in any interests in securities on deposit with it (such as dividends, voting rights and other entitlements) to any person credited with such interests in securities on its records.

We have provided the descriptions of the operations and procedures of DTC set forth in “Book-Entry System” and elsewhere herein, and the descriptions of the operations and procedures of DTC, Clearstream, Luxembourg and Euroclear solely as a matter of convenience. These operations and procedures are solely within the control of those organizations and are subject to change by them from time to time. We and the paying agent do not take any responsibility for these operations or procedures, and you are urged to contact DTC, Clearstream, Luxembourg and Euroclear or their participants directly to discuss these matters.

The laws of some jurisdictions may require that purchasers of securities take physical delivery of those securities in definitive form. Accordingly, the ability to transfer interests in the debt securities represented by a global note to those persons may be limited. In addition, because DTC can act only on behalf of its participants, who in turn act on behalf of persons who hold interests through participants, the ability of a person having an interest in debt securities represented by a global note to pledge or transfer such interest to persons or entities that do not participate in DTC’s system, or otherwise to take actions in respect of such interest, may be affected by the lack of a physical definitive security in respect of such interest.

Neither we nor the principal paying agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of debt securities by DTC, Clearstream, Luxembourg, or Euroclear, or for maintaining, supervising or reviewing any records of those organizations relating to the debt securities.

Distributions on the debt securities held beneficially through Clearstream, Luxembourg, will be credited to cash accounts of its customers in accordance with its rules and procedures, to the extent received by the U.S. depository for Clearstream, Luxembourg.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of Euroclear, and applicable Belgian law (collectively, the “Terms and Conditions”). The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipt of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear participants and has no record of or relationship with persons holding through Euroclear participants.

Distributions on the debt securities held beneficially through Euroclear will be credited to the cash accounts of its participants in accordance with the Terms and Conditions, to the extent received by the U.S. depository for Euroclear.

Any other or differing terms of the depository arrangement will be described in the prospectus supplement relating to a series of debt securities.

### ***Clearance and Settlement Procedures***

Unless otherwise mentioned in the relevant prospectus supplement, initial settlement for the debt securities will be made in immediately available funds. Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled in immediately available



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funds. Secondary market trading between Clearstream, Luxembourg customers and/or Euroclear participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream, Luxembourg and Euroclear and will be settled using the procedures applicable to conventional eurobonds in immediately available funds.

Cross-market transfers between persons holding directly or indirectly through DTC on the one hand, and directly or indirectly through Clearstream, Luxembourg customers or Euroclear participants, on the other, will be effected in DTC in accordance with DTC rules on behalf of the relevant European international clearing system by the U.S. depository; however, such cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to the U.S. depository to take action to effect final settlement on its behalf by delivering or receiving the debt securities in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream, Luxembourg customers and Euroclear participants may not deliver instructions directly to their U.S. depositories.

Because of time-zone differences, credits of the debt securities received in Clearstream, Luxembourg or Euroclear as a result of a transaction with a DTC participant will be made during subsequent securities settlement processing and dated the business day following DTC settlement date. Such credits or any transactions in the debt securities settled during such processing will be reported to the relevant Clearstream, Luxembourg customers or Euroclear participants on such business day. Cash received in Clearstream, Luxembourg or Euroclear as a result of sales of the debt securities by or through a Clearstream, Luxembourg customer or a Euroclear participant to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Clearstream, Luxembourg or Euroclear cash account only as of the business day following settlement in DTC.

Although DTC, Clearstream, Luxembourg and Euroclear have agreed to the foregoing procedures to facilitate transfers of the debt securities among participants of DTC, Clearstream, Luxembourg and Euroclear, they are under no obligation to perform or continue to perform such procedures and such procedures may be discontinued at any time.

### **Bearer Debt Securities**

If we ever issue bearer debt securities, the applicable prospectus supplement will describe all of the special terms and provisions of debt securities in bearer form, and the extent to which those special terms and provisions are different from the terms and provisions that are described in this prospectus, which generally apply to debt securities in registered form, and will summarize provisions of the indenture that relate specifically to bearer debt securities.

### **Regarding the Trustee**

In the ordinary course of business, we may maintain lines of credit with one or more trustees for a series of debt securities and the principal subsidiary banks and other subsidiary banks may maintain deposit accounts and conduct other banking transactions with one or more trustees for a series of debt securities.

### **Trustee's Duty to Resign Under Certain Circumstances**

PNC Funding may issue both senior and subordinated debt securities under the indenture. Because the subordinated debt securities will rank junior in right of payment to the senior debt securities, the occurrence of a default under the indenture with respect to the subordinated debt securities or any senior debt securities could create a conflicting interest under the Trust Indenture Act of 1939, as amended, with respect to any trustee who serves as trustee for both senior and subordinated debt securities. In addition, upon the occurrence of a default under the indenture with respect to any series of debt securities the trustee of which maintains banking relationships with PNC Funding or PNC, such trustee would have a conflicting interest under the Trust Indenture Act as a result of such business relationships. If a default has not been cured or waived within

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90 days after the trustee has or acquires a conflicting interest, the trustee generally is required by the Trust Indenture Act to eliminate such conflicting interest or resign as trustee with respect to the subordinated debt securities or the senior debt securities. In the event of the trustee's resignation, we will promptly appoint a successor trustee with respect to the affected securities.

### DESCRIPTION OF COMMON STOCK

As of the date of the prospectus, PNC is authorized to issue 800,000,000 shares of common stock. At March 31, 2005, PNC had 352,822,767 shares of common stock issued and 70,067,711 shares held in treasury resulting in outstanding shares of 282,755,056.

The following summary is not complete. You should refer to the applicable provisions of PNC's articles of incorporation, including the statements with respect to shares pursuant to which the outstanding series of preferred stock were issued and any additional series may be issued and to the Pennsylvania Business Corporation Law for a complete statement of the terms and rights of the common stock.

Holders of common stock are entitled to one vote per share on all matters submitted to shareholders. Holders of common stock have neither cumulative voting rights nor any preemptive rights for the purchase of additional shares of any class of stock of PNC, and are not subject to liability for further calls or assessments. The common stock does not have any sinking fund, conversion or redemption provisions.

Holders of common stock may receive dividends when declared by the Board of Directors of PNC out of funds legally available to pay dividends. The Board of Directors may not pay or set apart dividends on common stock until dividends for all past dividend periods on any series of outstanding preferred stock have been paid or declared and set apart for payment.

As of March 31, 2005, PNC had outstanding \$872 million of junior subordinated debentures with various interest rates and maturities. The terms of these debentures permit PNC to defer interest payments on the debentures for up to five years. If PNC defers interest payments on these debentures, PNC may not during the deferral period:

- declare or pay any cash dividends on any of its common stock,
- redeem any of its common stock,
- purchase or acquire any of its common stock, or
- make a liquidation payment on any of its common stock.

In the event of dissolution or winding up of the affairs of PNC, holders of common stock will be entitled to share ratably in all assets remaining after payments to all creditors and payments required to be made in respect of outstanding preferred stock (including accrued and unpaid dividends thereon) have been made.

The Board of Directors of PNC may, except as otherwise required by applicable law or the rules of the New York Stock Exchange, cause the issuance of authorized shares of common stock without shareholder approval to such persons and for such consideration as the Board of Directors may determine in connection with acquisitions by PNC or for other corporate purposes.

Computershare Services, LLC Chicago, Illinois, is the transfer agent and registrar for PNC's common stock. The shares of common stock are listed on the New York Stock Exchange under the symbol "PNC." The outstanding shares of common stock are, and the shares offered by this prospectus and the applicable prospectus supplement will be, validly issued, fully paid and nonassessable, and the holders of the common stock are not and will not be subject to any liability as shareholders.

### Rights Plan

On May 15, 2000, the Board of Directors of PNC adopted a shareholder rights plan providing for the distribution of one preferred share purchase right for each outstanding share of common stock on May 25, 2000. New rights automatically accompany any shares of common stock PNC issues after May 25, 2000 until

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the “Distribution Date” described below. For example, holders of our convertible preferred stock, convertible debentures and stock options will receive the rights when they convert or exercise.

Once the rights become exercisable, each right will allow its holder to purchase from PNC one one-thousandth of a share of Series G Junior Participating Preferred Stock for \$180. This portion of a preferred share will give the shareholder approximately the same dividend, voting, and liquidation rights as would one share of PNC common stock. Prior to exercise, the rights do not give their holders any dividend, voting, or liquidation rights. The rights have certain features that do not become exercisable until a person or group becomes an “Acquiring Person” by obtaining beneficial ownership of 10% or more of PNC’s outstanding common stock. The features are described below.

The rights only become exercisable:

- 10 days after the public announcement that a person or group has become an Acquiring Person or, if earlier,
- 10 business days (or later date determined by PNC’s Board before any person or group becomes an Acquiring Person) after a person or group begins a tender or exchange offer which, if completed, would result in that person or group becoming an Acquiring Person.

We refer to the date when the rights become exercisable as the “Distribution Date.” Until that date, the common stock certificates that represent shares of PNC common stock will also evidence the rights, and any transfer of shares of PNC common stock will also constitute a transfer of rights. After that date, the rights would separate from the PNC common stock and be evidenced by rights certificates that PNC would mail to all eligible holders of PNC common stock. Any rights held by an Acquiring Person would be void and could not be exercised.

Once a person or group becomes an Acquiring Person all holders of rights except the Acquiring Person may, for \$180 per right, purchase shares of PNC common stock (or equivalent preferred stock) with a market value of \$360, based on the market price of the PNC common stock prior to the acquisition. If PNC is later acquired in a merger or similar transaction after the Distribution Date, all holders of rights except the Acquiring Person may, for \$180 per right, purchase shares of the acquiring corporation with a market value of \$360, based on the market price of the acquiring corporation’s stock prior to the merger.

PNC’s Board may redeem the rights for \$0.01 per right at any time before any person or group becomes an Acquiring Person. If PNC’s Board redeems any rights, it must redeem all of the rights. Once the rights are redeemed, the only right of the holders of rights will be to receive the redemption price of \$0.01 per right. The redemption price will be adjusted if PNC has a stock split or stock dividends of PNC common stock.

After a person or group becomes an Acquiring Person, but before an Acquiring Person owns 50% or more of PNC’s outstanding common stock, PNC’s Board may extinguish the rights by exchanging one share of PNC common stock (or equivalent preferred stock) for each right, other than rights held by the Acquiring Person.

The terms of the rights agreement may be amended by our Board without the consent of the holders of the rights. After a person or group becomes an Acquiring Person, our Board may not amend the agreement in a way that adversely affects holders of the rights. The rights will expire on May 25, 2010.

## **Other Provisions**

PNC’s articles of incorporation and bylaws contain various provisions that may discourage or delay attempts to gain control of PNC. PNC’s bylaws include provisions:

- authorizing the board of directors to fix the size of the board between five and 36 directors,
- authorizing directors to fill vacancies on the board occurring between annual shareholder meetings, including vacancies resulting from an increase in the number of directors,

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- authorizing only the board of directors, the Chairman of the board, PNC's President and a Vice Chairman of the board to call a special meeting of shareholders, and
- authorizing a majority of the board of directors to alter, amend, add to or repeal the bylaws.

PNC's articles of incorporation vest the authority to make, amend and repeal the bylaws in the board of directors, subject to the power of its shareholders to change any such action.

The Pennsylvania "anti-takeover" statutes allow Pennsylvania corporations to elect to either be covered or not be covered by certain of these statutes.

PNC has elected in its bylaws not to be covered by Title 15 of the Pennsylvania consolidated statutes governing "control-share acquisitions" and "disgorgement by certain controlling shareholders following attempts to acquire control." However, the following provisions of Title 15 of the Pennsylvania consolidated statutes apply to PNC:

- shareholders are not entitled to call a special meeting (Section 2521),
- unless the articles of incorporation provided otherwise, action by shareholder consent must be unanimous (Section 2524),
- shareholders are not entitled to propose an amendment to the articles of incorporation (Section 2535),
- certain transactions with interested shareholders (such as mergers or sales of assets between the company and a shareholder) where the interested shareholder is a party to the transaction or is treated differently from other shareholders require approval by a majority of the disinterested shareholders (Section 2538),
- a five year moratorium exists on certain business combinations with a 20% or more shareholder (Sections 2551-2556), and
- shareholders have a right to "put" their shares to a 20% shareholder at a "fair value" for a reasonable period after the 20% stake is acquired (Sections 2541-2547).

In addition, in certain instances the ability of PNC's board to issue authorized but unissued shares of common stock and preferred stock may have an anti-takeover effect.

Existence of the above provisions could result in PNC being less attractive to a potential acquiror, or result in PNC shareholders receiving less for their shares of common stock than otherwise might be available if there is a takeover attempt.

### **DESCRIPTION OF PREFERRED STOCK**

This section describes the general terms and provisions of PNC's preferred stock that may be offered by this prospectus. The prospectus supplement will describe the specific terms of the series of the preferred stock offered through that prospectus supplement and any general terms outlined in this section that will not apply to that series of preferred stock.

We have summarized the material terms and provisions of the preferred stock in this section. We have also filed PNC's articles of incorporation and the form of certificate of designations for each series of preferred stock, which we will refer to as the "certificate of designations" as exhibits to the registration statement. You should read PNC's articles of incorporation and the certificate of designations relating to the applicable series of the preferred stock for additional information before you buy any preferred stock.

#### **General**

The Board of Directors of PNC (the "PNC board") is authorized without further shareholder action to cause the issuance, as of March 31, 2005, of up to 16,212,800 additional shares of preferred stock. This amount excludes shares of preferred stock reserved for issuance in connection with PNC's shareholder rights plan described above. Any additional preferred stock (other than the Series G associated with the shareholder

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rights plan whose terms are designated in the rights agreement) may be issued in one or more series, each with the preferences, limitations, designations, conversion or exchange rights, voting rights, dividend rights, redemption provisions, voluntary and involuntary liquidation rights and other rights as the PNC board may determine at the time of issuance.

The rights of the holders of PNC's common stock are subject to any rights and preferences of the outstanding series of preferred stock and the preferred stock offered in this prospectus. In addition, the rights of the holders of PNC's common stock and any outstanding series of PNC's preferred stock, would be subject to the rights and preferences of any additional shares of preferred stock, or any series thereof, which might be issued in the future.

The existence of authorized but unissued preferred stock could have the effect of discouraging an attempt to acquire control of PNC. For example, preferred stock could be issued to persons, firms or entities known to be friendly to management.

As of March 31, 2005, PNC had outstanding \$872 million of junior subordinated debentures with various interest rates and maturities. The terms of these debentures permit PNC to defer interest payments on the debentures for up to five years. If PNC defers interest payments on these debentures, PNC may not during the deferral period:

- declare or pay any cash dividends on any of its preferred stock,
- redeem any of its preferred stock,
- purchase or acquire any of its preferred stock, or
- make a liquidation payment on any of its preferred stock.

### **Preferred Stock Offered Herein**

#### ***General***

The preferred stock will, when issued, be fully paid and nonassessable. Unless otherwise specified in the prospectus supplement, the shares of each series of preferred stock will upon issuance rank on parity in all respects with PNC's currently existing series of preferred stock, described below, and each other series of preferred stock of PNC outstanding at that time. Holders of the preferred stock will have no preemptive rights to subscribe for any additional securities that may be issued by PNC. Unless otherwise specified in the applicable prospectus supplement, Computershare Investor Services, LLC, Chicago, IL, will be the transfer agent and registrar for the preferred stock.

Because PNC is a holding company, its rights and the rights of holders of its securities, including the holders of preferred stock, to participate in the assets of any PNC subsidiary upon its liquidation or recapitalization will be subject to the prior claims of such subsidiary's creditors and preferred shareholders, except to the extent PNC may itself be a creditor with recognized claims against such subsidiary or a holder of preferred shares of such subsidiary.

PNC may elect to offer depositary shares evidenced by depositary receipts. If PNC so elects, each depositary share will represent a fractional interest (to be specified in the prospectus supplement relating to the particular series of preferred stock) in a share of a particular series of the preferred stock issued and deposited with a depositary (as defined below). For a further description of the depositary shares, you should read "Description of Depositary Shares" below.

#### ***Dividends***

The holders of the preferred stock will be entitled to receive dividends, if declared by the PNC board or a duly authorized committee thereof. The applicable prospectus supplement will specify the dividend rate and dates on which dividends will be payable. The rate may be fixed or variable or both. If the dividend rate is variable, the applicable prospectus supplement will describe the formula used for determining the dividend rate for each dividend period. PNC will pay dividends to the holders of record as they appear on the stock

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books of PNC on the record dates fixed by the PNC board or a duly authorized committee thereof. PNC may pay dividends in the form of cash, preferred stock (of the same or a different series) or common stock of PNC, in each case as specified in the applicable prospectus supplement.

Any series of preferred stock will, with respect to the priority of payment of dividends, rank senior to all classes of common stock and any class of stock PNC issues that specifically provides that it will rank junior to such preferred stock in respect to dividends, whether or not the preferred stock is designated as cumulative or noncumulative.

The applicable prospectus supplement will state whether dividends on any series of preferred stock are cumulative or noncumulative. If the PNC board does not declare a dividend payable on a dividend payment date on any noncumulative preferred stock, then the holders of that noncumulative preferred stock will not be entitled to receive a dividend for that dividend period, and PNC will have no obligation to pay any dividend for that dividend period, even if the PNC board declares a dividend on that series payable in the future. Dividends on any cumulative preferred stock will accrue from the date of issuance or the date specified in the applicable prospectus supplement.

The PNC board will not declare and pay a dividend on PNC's common stock or on any class or series of stock of PNC ranking subordinate as to dividends to a series of preferred stock (other than dividends payable in common stock or in any class or series of stock of PNC ranking subordinate as to dividends and assets to such series), until PNC has paid in full dividends for all past dividend periods on all outstanding senior ranking cumulative preferred stock and has declared a current dividend on all preferred stock ranking senior to that series. If PNC does not pay in full dividends for any dividend period on all shares of preferred stock ranking equally as to dividends, all such shares will participate ratably in the payment of dividends for that period in proportion to the full amounts of dividends to which they are entitled.

### ***Voting***

Except as provided in this prospectus or in the applicable prospectus supplement, or as required by applicable law, the holders of preferred stock will not be entitled to vote. Except as otherwise required by law or provided by the PNC board and described in the applicable prospectus supplement, holders of preferred stock having voting rights and holders of common stock vote together as one class. Holders of preferred stock do not have cumulative voting rights.

If PNC has failed to pay, or declare and set apart for payment, dividends on all outstanding shares of preferred stock in an amount that equals six quarterly dividends at the applicable dividend rate for such preferred stock, whether or not cumulative, then the number of directors of PNC will be increased by two at the first annual meeting of shareholders held thereafter, and the holders of all outstanding preferred stock voting together as a class will be entitled to elect those two additional directors at that annual meeting and at each annual meeting thereafter until cumulative dividends payable for all past dividend periods and continuous noncumulative dividends for at least one year on all outstanding share of preferred stock entitled thereto have been paid, or declared and set apart for payment, in full. Upon such payment, or declaration and setting apart for payment, in full, the terms of the two additional directors will end, the number of directors of PNC will be reduced by two, and such voting rights of the holders of preferred stock will end.

Unless PNC receives the consent of the holders of at least two-thirds of the outstanding shares of preferred stock of all series, PNC will not:

- create or increase the authorized number of shares of any class of stock ranking senior to the preferred stock as to dividends or assets, or
- change the preferences, qualifications, privileges, limitations, restrictions or special or relative rights of the preferred stock in any material respect adverse to the holders of the preferred stock.

If any change to the rights of the preferred stock will affect any particular series materially and adversely as compared to any other series of preferred stock, PNC first must obtain the consent of the holders of at least two-thirds of the outstanding shares of that particular series of preferred stock.

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The holders of the preferred stock of a series will not be entitled to participate in any vote regarding a change in the rights of the preferred stock if PNC makes provision for the redemption of all the preferred stock of such series. See “Redemption by PNC” below. PNC is not required to obtain any consent of holders of preferred stock of a series in connection with the authorization, designation, increase or issuance of any shares of preferred stock that rank junior or equal to the preferred stock of such series with respect to dividends and liquidation rights.

Under interpretations adopted by the Federal Reserve or its staff, if the holders of preferred stock of any series become entitled to vote for the election of directors because dividends on such series are in arrears as described above, that series may then be deemed a “class of voting securities” and a holder of 25% or more of such series (or a holder of 5% or more if it otherwise exercises a “controlling influence” over PNC) may then be subject to regulation as a bank holding company in accordance with the Bank Holding Company Act. In addition, when the series is deemed a class of voting securities, any other bank holding company may be required to obtain the prior approval of the Federal Reserve to acquire more than 5% of that series, and any person other than a bank holding company may be required to obtain the prior approval of the Federal Reserve to acquire 10% or more of that series.

### ***Liquidation of PNC***

In the event of the voluntary or involuntary liquidation of PNC, the holders of each outstanding series of preferred stock will be entitled to receive liquidating distributions before any distribution is made to the holders of common stock or of any class or series of stock of PNC ranking subordinate to that series, in the amount fixed by the PNC board for that series and described in the applicable prospectus supplement, plus, if dividends on that series are cumulative, accrued and unpaid dividends.

### ***Redemption by PNC***

PNC may redeem the whole or any part of the preferred stock at the times and at the amount for each share set forth in the applicable prospectus supplement.

PNC may acquire preferred stock from time to time at the price or prices that PNC determines. If cumulative dividends, if any, payable for all past quarterly dividend periods have not been paid, or declared and set apart for payment, in full, PNC may not acquire preferred stock except in accordance with an offer made in writing or by publication to all holders of record of shares of preferred stock.

### ***Conversion***

The prospectus supplement may set forth the rights, if any, for a holder of preferred stock to convert that preferred stock into common stock or any other class of capital securities of PNC.

### **Preferred Stock Currently Outstanding**

At March 31, 2005, PNC had four series of preferred stock outstanding:

- 7,789 shares of \$1.80 Cumulative Convertible Preferred Stock, Series A (“preferred stock-A”),
- 2,117 shares of \$1.80 Cumulative Convertible Preferred Stock, Series B (“preferred stock-B”),
- 159,541 shares of \$1.60 Cumulative Convertible Preferred Stock, Series C (“preferred stock-C”), and
- 217,227 shares of \$1.80 Cumulative Convertible Preferred Stock, Series D (“preferred stock-D”).

All shares of a former series of preferred stock designated as \$2.60 Cumulative Non Voting Preferred Stock, Series E, and of a former series of preferred stock designated Fixed/ Adjustable Rate Noncumulative Preferred Stock, Series F, have been redeemed and restored to the status of authorized but unissued preferred stock. In connection with PNC’s shareholders rights plan described above, PNC has issued rights attached to its common stock that, once exercisable, will allow the holder of each share of common stock to purchase from

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PNC one one-thousandth of a share of Series G Junior Participating Preferred Stock (“preferred stock-G”). To date, we have not issued any preferred stock-G.

Holders of outstanding preferred stock are entitled to cumulative dividends at the annual rates set forth below in the table titled “Summary of Certain Key Terms of Preferred Stock,” which are payable quarterly when and as declared by the Board of Directors of PNC. The Board of Directors may not pay or set apart dividends on common stock until dividends for the current period and all past dividend periods on all series of outstanding preferred stock have been paid or declared and set apart for payment.

Holders of outstanding preferred stock are entitled to a number of votes equal to the number of full shares of common stock into which their preferred stock is convertible. Holders of outstanding preferred stock currently are entitled to the conversion privileges set forth below in the table titled “Summary of Certain Key Terms of Preferred Stock.”

In the event of a liquidation of PNC, holders of outstanding preferred stock are entitled to receive the amounts set forth below in the table titled “Summary of Certain Key Terms of Preferred Stock,” plus all dividends accrued and unpaid thereon, before any payments are made with respect to common stock.

Preferred stock-A, preferred stock-C and preferred stock-D are redeemable at any time at the option of PNC at redemption prices equal to their respective liquidation preference amounts, plus accrued and unpaid dividends, if any. Preferred stock-B is not redeemable.

All outstanding series of preferred stock are convertible into common stock (unless called for redemption and not converted within the time allowed therefor), at any time at the option of the holder. No adjustment will be made for dividends on preferred stock converted or on common stock issuable upon conversion. The conversion rate of each series of convertible preferred stock will be adjusted in certain events, including payment of stock dividends on, or splits or combinations of, the common stock or issuance to holders of common stock of rights to purchase common stock at a price per share less than 90% of current market price as defined in the articles of incorporation of PNC. Appropriate adjustments in the conversion provisions also will be made in the event of certain reclassifications, consolidations or mergers or the sale of substantially all of the assets of PNC.

Preferred stock-A and preferred stock-B are currently traded in the over-the-counter market. Preferred stock-C and preferred stock-D are listed and traded on the New York Stock Exchange. Computershare Investor Services, LLC, Chicago, IL, is transfer agent and registrar for all outstanding series of preferred stock.

### SUMMARY OF CERTAIN KEY TERMS OF PREFERRED STOCK

Preferred Series	Annual Dividend Rate (Payable Quarterly)	Cumulative Dividends	Conversion Rate	Voting Rights (Based on Conversion Rate)	Liquidation Preference	Redeemable
A	\$ 1.80	Y	1 preferred: 8 common	Y	\$ 40/share	Y
B	\$ 1.80	Y	1 preferred: 8 common	Y	\$ 40/share	N
C	\$ 1.60	Y	2.4 preferred; 4 common	Y	\$ 20/share	Y
D	\$ 1.80	Y	2.4 preferred; 4 common	Y	\$ 20/share	Y
G			None Currently Outstanding			

### DESCRIPTION OF DEPOSITARY SHARES

PNC may, at its option, elect to offer fractional interests in the preferred stock, rather than whole shares of preferred stock. If PNC does, PNC will provide for the issuance by a depositary to the public of receipts for depositary shares, and each of these depositary shares will represent a fraction of a share of a particular series of the preferred stock. We will specify that fraction in the prospectus supplement.



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The shares of any series of the preferred stock underlying the depositary shares will be deposited under a deposit agreement between PNC and a depositary selected by PNC. The depositary will be a bank or trust company and will have its principal office in the United States and a combined capital and surplus of at least \$50,000,000. The prospectus supplement relating to a series of depositary shares will set forth the name and address of the depositary. Subject to the terms of the deposit agreement, each owner of a depositary share will be entitled, in proportion to the applicable fractional interest in a share of preferred stock underlying that depositary share, to all the rights and preferences of the preferred stock underlying that depositary share. Those rights include dividend, voting, redemption, conversion and liquidation rights.

The depositary shares will be evidenced by depositary receipts issued under the deposit agreement. If you purchase the fractional shares in the preferred stock underlying the depositary shares, you will receive depositary receipts as described in the applicable prospectus supplement.

### **Dividends and Other Distributions**

The depositary will distribute all cash dividends or other cash distributions received in respect of the preferred stock to the record holders of related depositary shares in proportion to the number of depositary shares owned by those holders.

If PNC makes a distribution other than in cash, the depositary will distribute property received by it to the record holders of depositary shares that are entitled to receive the distribution, unless the depositary determines that it is not feasible to make the distribution. If this occurs, the depositary may, with the approval of PNC, sell the property and distribute the net proceeds from the sale to the applicable holders.

### **Redemption of Depositary Shares**

Whenever PNC redeems shares of preferred stock that are held by the depositary, the depositary will redeem, as of the same redemption date, the number of depositary shares representing the shares of preferred stock so redeemed. The redemption price per depositary share will be equal to the applicable fraction of the redemption price per share payable with respect to that series of the preferred stock. If fewer than all the depositary shares are to be redeemed, the depositary will select the depositary shares to be redeemed by lot or pro rata as may be determined by the depositary.

Depositary shares called for redemption will no longer be outstanding after the applicable redemption date, and all rights of the holders of these depositary shares will cease, except the right to receive any money or other property upon surrender to the depositary of the depositary receipts evidencing those depositary shares.

### **Voting the Preferred Stock**

Upon receipt of notice of any meeting at which the holders of preferred stock are entitled to vote, the depositary will mail the information contained in the notice of meeting to the record holders of the depositary shares underlying that preferred stock. Each record holder of those depositary shares on the record date (which will be the same date as the record date for the preferred stock) will be entitled to instruct the depositary as to the exercise of the voting rights pertaining to the amount of preferred stock underlying that holder's depositary shares. The depositary will try, insofar as practicable, to vote the number of shares of preferred stock underlying those depositary shares in accordance with those instructions, and PNC will agree to take all action which the depositary deems necessary in order to enable the depositary to do so. The depositary will not vote the shares of preferred stock to the extent it does not receive specific instructions from the holders of depositary shares underlying the preferred stock.

### **Conversion of Preferred Stock**

If a series of the preferred stock underlying the depositary shares is convertible into shares of PNC's common stock or any other class of capital securities of PNC, PNC will accept the delivery of depositary receipts to convert the preferred stock using the same procedures as those for delivery of certificates for the preferred stock. If the depositary shares represented by a depositary receipt are to be converted in part only,

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the depositary will issue a new depositary receipt or depositary receipts for the depositary shares not to be converted.

### **Amendment and Termination of the Deposit Agreement**

PNC and the depositary may amend the form of depositary receipt evidencing the depositary shares and any provision of the deposit agreement at any time. However, any amendment that materially and adversely alters the rights of the holders of depositary shares will not be effective unless the amendment has been approved by the holders of at least a majority of the depositary shares then outstanding. PNC or the depositary may terminate the deposit agreement only if (i) all outstanding depositary shares have been redeemed or (ii) there has been a final distribution of the underlying preferred stock in connection with any liquidation, dissolution or winding up of PNC.

### **Charges of Depositary**

PNC will pay all transfer and other taxes and governmental charges arising solely from the existence of the depositary arrangements. PNC will also pay charges of the depositary in connection with the initial deposit of the preferred stock and any redemption of the preferred stock. Holders of depositary shares will pay other transfer and other taxes and governmental charges and such other charges as are expressly provided in the deposit agreement to be for their accounts.

### **Resignation and Removal of Depositary**

The depositary may resign at any time by delivering to PNC notice of its election to do so. PNC may remove the depositary at any time. Any such resignation or removal will take effect only upon the appointment of a successor depositary and its acceptance of its appointment. The successor depositary must be a bank or trust company having its principal office in the United States and having a combined capital and surplus of at least \$50,000,000.

### **Miscellaneous**

The depositary will forward to the holders of depositary shares all reports and communications from PNC that PNC delivers to the depositary and that PNC is required to furnish to the holders of the preferred stock.

Neither the depositary nor PNC will be liable if it is prevented or delayed by law or any circumstance beyond its control in performing its obligations under the deposit agreement. The obligations of PNC and the depositary under the deposit agreement will be limited to performance in good faith of their respective duties under the deposit agreement. They will not be obligated to prosecute or defend any legal proceeding relating to any depositary shares or preferred stock unless satisfactory indemnity is furnished. They may rely upon written advice of counsel or accountants, or upon information provided by holders of depositary shares or other persons they believe to be competent and on documents they believe to be genuine. The depositary may rely on information provided by PNC.

## **DESCRIPTION OF PURCHASE CONTRACTS**

PNC may issue purchase contracts, including purchase contracts issued as part of a unit with one or more other securities, for the purchase or sale of:

- our debt securities, preferred stock, depositary shares or common stock; and
- securities of an entity not affiliated with us, a basket of those securities, an index or indices of those securities or any combination of the above.

The price of our debt securities or price per share of common stock, preferred stock or depositary shares, as applicable, may be fixed at the time the purchase contracts are issued or may be determined by reference to a specific formula contained in the purchase contracts. We may issue purchase contracts in such amounts and in as many distinct series as we wish.

The applicable prospectus supplement may contain, where applicable, the following information about the purchase contracts issued under it:

- whether the purchase contracts obligate the holder to purchase or sell, or both purchase and sell, our debt securities, common stock, preferred stock or depositary shares, as applicable, and the nature and amount of each of those securities, or method of determining those amounts;
- whether the purchase contracts are to be prepaid or not;
- whether the purchase contracts are to be settled by delivery, or by reference or linkage to the value, performance or level of our common stock or preferred stock;
- any acceleration, cancellation, termination or other provisions relating to the settlement of the purchase contracts;
- United States federal income tax considerations relevant to the purchase contracts; and
- whether the purchase contracts will be issued in fully registered or global form.

The applicable prospectus supplement will describe the terms of any purchase contracts. The preceding description and any description of purchase contracts in the applicable prospectus supplement does not purport to be complete and is subject to and is qualified in its entirety by reference to the purchase contract agreement and, if applicable, collateral arrangements and depositary arrangements relating to such purchase contracts.

#### **DESCRIPTION OF UNITS**

PNC may issue units comprised of one or more of the other securities described in this prospectus in any combination. Each unit will be issued so that the holder of the unit is also the holder of each security included in the unit. Thus, the holder of a unit will have the rights and obligations of a holder of each included security. The unit agreement under which a unit is issued may provide that the securities included in the unit may not be held or transferred separately, at any time or at any time before a specified date.

The applicable prospectus supplement may describe:

- the designation and terms of the units and of the securities comprising the units, including whether and under what circumstances those securities may be held or transferred separately;
- any provisions for the issuance, payment, settlement, transfer or exchange of the units or of the securities comprising the units;
- the terms of the unit agreement governing the units;
- United States federal income tax considerations relevant to the units; and
- whether the units will be issued in fully registered or global form.

The preceding description and any description of units in the applicable prospectus supplement does not purport to be complete and is subject to and is qualified in its entirety by reference to the unit agreement and, if applicable, collateral arrangements and depositary arrangements relating to such units.

#### **DESCRIPTION OF WARRANTS**

PNC may issue warrants to purchase common stock, preferred stock or depositary shares. PNC Funding may issue warrants to purchase debt securities. We may issue warrants independently of or together with any other securities, and the warrants may be attached to or separate from such securities. We will issue each series of warrants under a separate warrant agreement to be entered into between us and a warrant agent. The warrant agent will act solely as our agent in connection with the warrant of such series and will not assume any obligation or relationship of agency for or with holders or beneficial owners of warrants. The following sets forth certain general terms and provisions of the warrants that we may offer. Further terms of the warrants and the applicable warrant agreement will be set forth in the applicable prospectus supplement.

**Debt Warrants**

The applicable prospectus supplement will describe the terms of any debt warrants, including the following:

- the title of the debt warrants,
- the offering price for the debt warrants, if any,
- the aggregate number of the debt warrants,
- the designation and terms of the debt securities purchasable upon exercise of the debt warrants,
- if applicable, the designation and terms of the securities with which the debt warrants are issued and the number of debt warrants issued with each of these securities,
- if applicable, the date after which the debt warrants and any securities issued with the warrants will be separately transferable,
- the principal amount of debt securities purchasable upon exercise of a debt warrant and the purchase price,
- the dates on which the right to exercise the debt warrants begins and expires,
- if applicable, the minimum or maximum amount of the debt warrants that may be exercised at any one time,
- whether the debt warrants represented by the debt warrant certificates or debt securities that may be issued upon exercise of the debt warrants will be issued in registered or bearer form,
- information with respect to any book-entry procedures,
- the currency, currencies or currency units in which the offering price, if any, and the exercise price are payable,
- if applicable, a discussion of certain United States federal income tax considerations,
- any antidilution provisions of the debt warrants,
- any redemption or call provisions applicable to the debt warrants, and
- any additional terms of the debt warrants, including terms, procedures and limitations relating to the exchange and exercise of the debt warrants.

**Stock Warrants**

The applicable prospectus supplement will describe the terms of any stock warrants, including the following:

- the title of the stock warrants,
- the offering price of the stock warrants,
- the aggregate number of the stock warrants,
- the designation and terms of the common stock, preferred stock or depositary shares that are purchasable upon exercise of the stock warrants,
- if applicable, the designation and terms of the securities with which the stock warrants are issued and the number of such stock warrants issued with each such security,
- if applicable, the date after which the stock warrants and any securities issued with the warrants will be separately transferable,

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- the number of shares of common stock, preferred stock or depositary shares purchasable upon exercise of a stock warrant and the purchase price,
- the dates on which the right to exercise the stock warrants begins and expires,
- if applicable, the minimum or maximum amount of the stock warrants which may be exercised at any one time,
- the currency, currencies or currency units in which the offering price, if, any, and the exercise price are payable,
- if applicable, a discussion of certain United States federal income tax considerations,
- any antidilution provisions of the stock warrants,
- any redemption or call provisions applicable to the stock warrants, and
- any additional terms of the stock warrants, including terms, procedures and limitations relating to the exchange and exercise of the stock warrants.

### **CERTAIN TAX CONSIDERATIONS**

PNC Funding will be required to withhold the Pennsylvania Corporate Loans Tax from interest payments on debt securities held by or for those subject to such tax, principally individuals and partnerships resident in Pennsylvania and trustees of trusts held for a resident beneficiary. The tax, at the current annual rate of four mills on each dollar of nominal value (\$4.00 per \$1,000), will be withheld, at any time when it is applicable, from each interest payment to taxable holders of debt securities. The debt securities will be exempt, under current law, from personal property taxes imposed by political subdivisions in Pennsylvania.

Holders of securities should consult their tax advisors as to the applicability to the securities and interest and dividends payable thereon of federal, state and local taxes and of withholding on interest and dividends.

### **PLAN OF DISTRIBUTION**

These securities may be distributed under this prospectus from time to time in one or more transactions:

- at a fixed price or prices, which may be changed;
- at market prices prevailing at the time of sale;
- at prices related to prevailing market prices; or
- at negotiated prices.

Each time we sell securities, we will describe the method of distribution of the securities in the prospectus supplement relating to the transaction.

PNC Funding may offer and sell debt securities and warrants being offered by use of this prospectus:

- through underwriters,
- through dealers,
- through agents,
- directly to purchasers,
- through or in connection with hedging transactions, or
- through a combination of such methods of sale.

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PNC may offer and sell common stock, preferred stock, purchase contracts, units, warrants and depositary shares being offered by use of this prospectus:

- through underwriters,
- through dealers,
- through agents,
- directly to purchasers,
- through or in connection with hedging transactions, or
- through any combination of such methods of sale.

Each time we sell securities, we will provide a prospectus supplement that will name any underwriter, dealer or agent involved in the offer and sale of the securities. The prospectus supplement will also set forth the terms of the offering, including the purchase price of the securities and the proceeds we will receive from the sale of the securities, any underwriting discounts and other items constituting underwriters' compensation related to the offering, public offering or purchase price and any discounts or commissions allowed or paid to dealers, any commissions allowed or paid to agents and any securities exchanges on which the securities may be listed.

If underwriters or dealers are used in the sale, the securities will be acquired by the underwriters or dealers for their own account and may be resold from time to time in one or more transactions, at a fixed price or prices, which may be changed, or at market prices prevailing at the time of sale, or at prices related to such prevailing market prices, or at negotiated prices. The securities may be offered to the public either through underwriting syndicates represented by one or more managing underwriters or directly by one or more of such firms. Unless otherwise set forth in the prospectus supplement, the obligations of underwriters or dealers to purchase the securities offered will be subject to certain conditions precedent and the underwriters or dealers will be obligated to purchase all the offered securities if any are purchased. Any public offering price and any discounts or concessions allowed or reallocated or paid by underwriters or dealers to other dealers may be changed from time to time.

The securities may be sold directly by PNC or PNC Funding or through agents designated by us from time to time. Any agent involved in the offer or sale of the securities in respect of which this prospectus is delivered will be named in, and any commissions payable by PNC or PNC Funding to such agent will be set forth in, the prospectus supplement. Unless otherwise indicated in the prospectus supplement, any such agent will be acting on a best efforts basis for the period of its appointment.

To the extent that we make sales to or through one or more underwriters or agents in at-the-market offerings, we will do so pursuant to the terms of a distribution agreement between us and the underwriters or agents. If we engage in at-the-market sales pursuant to a distribution agreement, we will issue and sell shares of our common stock to or through one or more underwriters or agents, which may act on an agency basis or on a principal basis. During the term of any such agreement, we may sell shares on a daily basis in exchange transactions or otherwise as we agree with the underwriters or agents. The distribution agreement will provide that any shares of our common stock sold will be sold at prices related to the then prevailing market prices for our common stock. Therefore, exact figures regarding proceeds that will be raised or commissions to be paid cannot be determined at this time and will be described in a prospectus supplement. Pursuant to the terms of the distribution agreement, we also may agree to sell, and the relevant underwriters or agents may agree to solicit offers to purchase, blocks of our common stock or other securities. The terms of each such distribution agreement will be set forth in more detail in a prospectus supplement to this prospectus. In the event that any underwriter or agent acts as principal, or broker-dealer acts as underwriter, it may engage in certain transactions that stabilize, maintain or otherwise affect the price of our securities. We will describe any such activities in the prospectus supplement relating to the transaction.

Offers to purchase the securities offered by this prospectus may be solicited, and sales of the securities may be made, by us directly to institutional investors or others, who may be deemed to be underwriters within

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the meaning of the Securities Act with respect to any resales of the securities. The terms of any offer made in this manner will be included in the prospectus supplement relating to the offer.

In connection with offerings made through underwriters or agents, we may enter into agreements with such underwriters or agents pursuant to which we receive our outstanding securities in consideration for the securities being offered to the public for cash. In connection with these arrangements, the underwriters or agents may also sell securities covered by this prospectus to hedge their positions in these outstanding securities, including in short sale transactions. If so, the underwriters or agents may use the securities received from us under these arrangements to close out any related open borrowings of securities.

We may enter into derivative transactions with third parties, or sell securities not covered by this prospectus to third parties in privately negotiated transactions. If the applicable prospectus supplement indicates, in connection with those derivatives, the third parties may sell securities covered by this prospectus and the applicable prospectus supplement, including in short sale transactions. If so, the third party may use securities pledged by us or borrowed from us or others to settle those sales or to close out any related open borrowings of stock, and may use securities received from us in settlement of those derivatives to close out any related open borrowings of stock. The third party in such sale transactions will be an underwriter and will be identified in the applicable prospectus supplement (or a post-effective amendment).

We may loan or pledge securities to a financial institution or other third party that in turn may sell the securities using this prospectus. Such financial institution or third party may transfer its short position to investors in our securities or in connection with a simultaneous offering of other securities offered by this prospectus.

Securities may be offered and sold, if so indicated in the applicable prospectus supplement, in connection with a remarketing upon their purchase, in accordance with a redemption or repayment pursuant to their terms, or otherwise, by one or more firms, which we refer to herein as the “remarketing firms,” acting as principals for their own accounts, for the account of holders of the securities, or as our agent. Any remarketing firm will be identified and the terms of its agreement, if any, with us will be described in the applicable prospectus supplement. Remarketing firms may be deemed to be underwriters, as that term is defined in the Securities Act of 1933, as amended, in connection with the securities remarketed thereby.

If indicated in the applicable prospectus supplement, we will authorize underwriters, dealers or agents to solicit offers by certain institutional investors to purchase securities from us pursuant to contracts providing for payment and delivery at a future date. Institutional investors with which these contracts may be made include, among others:

- commercial and savings banks;
- insurance companies;
- pension funds;
- investment companies; and
- educational and charitable institutions.

In all cases, these purchasers must be approved by us. Unless otherwise set forth in the applicable prospectus supplement, the obligations of any purchaser under any of these contracts will not be subject to any conditions except that (a) the purchase of the securities must not at the time of delivery be prohibited under the laws of any jurisdiction to which that purchaser is subject and (b) if the securities are also being sold to underwriters, we must have sold to these underwriters the securities not subject to delayed delivery. Underwriters and other agents will not have any responsibility in respect of the validity or performance of these contracts.

Underwriters, dealers, agents and other persons may be entitled under agreements which may be entered into with us to indemnification against and contribution toward certain civil liabilities, including liabilities under the Securities Act of 1933 and to be reimbursed by us for certain expenses.

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Subject to any restrictions relating to debt securities in bearer form, any securities initially sold outside the United States may be resold in the United States through underwriters, dealers or otherwise.

Each series of securities other than common stock will be new issue of securities with no established trading market. Any underwriters to whom offered securities are sold by us for public offering and sale may make a market in such securities, but such underwriters will not be obligated to do so and may discontinue any market making at any time.

The anticipated date of delivery of the securities offered by this prospectus will be described in the applicable prospectus supplement relating to the offering. The securities offered by this prospectus may or may not be listed on a national securities exchange or a foreign securities exchange. No assurance can be given as to the liquidity or activity of any trading in the offered securities.

If more than 10% of the net proceeds of any offering of securities made under this prospectus will be received by NASD members participating in the offering or affiliates or associated persons of such NASD members, the offering will be conducted in accordance with NASD Conduct Rule 2710(c)(8).

Following the initial distribution of an offering of securities, PNC Capital Markets, Inc., J.J.B. Hilliard, W.L. Lyons, Inc. and other affiliates of ours may offer and sell those securities in secondary market transactions. PNC Capital Markets, Inc., J.J.B. Hilliard, W.L. Lyons, Inc. and other affiliates of ours may act as a principal or agent in these transactions. This prospectus and the applicable prospectus supplement will also be used in connection with these transactions. Sales in any of these transactions will be made at varying prices related to prevailing market prices and other circumstances at the time of sale.

The offer and sale of the securities by an affiliate of ours will comply with the requirements of Rule 2720 of the Rules of Conduct of the National Association of Securities Dealers, Inc. regarding underwriting of securities of an affiliate. No NASD member participating in offers and sales will exercise a transaction in the securities in a discretionary account without the prior specific written approval of such member's customer.

Underwriters or agents and their associates may be customers of (including borrowers from), engage in transactions with, and/or perform services for us and/or the trustee in the ordinary course of business.

### **LEGAL OPINIONS**

The validity of the securities will be passed upon for us by Thomas R. Moore, Esq., Senior Counsel and Corporate Secretary of PNC, One PNC Plaza, 249 Fifth Avenue, Pittsburgh, Pennsylvania 15222. Mr. Moore beneficially owns, or has rights to acquire, an aggregate of less than 1% of PNC's common stock. If the securities are being distributed in an underwritten offering, the validity of the securities will be passed upon for the underwriters by counsel identified in the applicable prospectus supplement.

### **EXPERTS**

The consolidated financial statements and management's report on the effectiveness of internal control over financial reporting incorporated in this prospectus by reference from PNC's Annual Report on Form 10-K for the year ended December 31, 2004 have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.



**PART II**  
**INFORMATION NOT REQUIRED IN PROSPECTUS**

**ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION**

The following expenses will be incurred by The PNC Financial Services Group, Inc. and PNC Funding Corp in connection with the issuance and distribution of the securities being registered, other than underwriting discounts and commissions:

Registration fee	\$	0**
Legal Fees and Expenses		175,000*
Indentures Trustee Fees and Expenses		100,000*
Printing		200,000*
Accounting Fees		150,000*
Blue Sky and Legal Investment Fees and Expenses		50,000*
Listing Fees		25,000*
Miscellaneous		50,000*
Total	\$	<u>750,000</u>

\* Estimated.

\*\* Pursuant to Rule 457(p) under the Securities Act of 1933, the gross registration fee of \$235,400 has been reduced to a net fee of \$0, through the offset against the registration fee of the amount of the \$1,082,566 fee paid under Registration Statement on Form S-3 (Nos. 333-69576 and 333-69576-01) of PNC Funding Corp and The PNC Financial Services Group, Inc. filed with the Commission on September 18, 2001, allocable to \$1,997,000 of securities unsold thereunder.

**ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS**

Pursuant to Sections 1741-1743 of the Pennsylvania Business Corporation Law of 1988 (Act of December 21, 1988, P.L. 1444) ("1988 BCL"), we have the power to indemnify our directors and officers against liabilities they may incur in such capacities provided certain standards are met, including good faith and the belief that the particular action is in, or not opposed to, the best interests of the corporation and, with respect to a criminal proceeding, that the director or officer had no reasonable cause to believe his or her conduct was unlawful. In general, this power to indemnify does not exist in the case of actions against a director or officer by or in the right of the corporation if the person entitled to indemnification shall have been adjudged to be liable to the corporation unless and to the extent that the person is adjudged to be fairly and reasonably entitled to indemnity. A corporation is required to indemnify directors and officers against expenses they may incur in defending actions against them in such capacities if they are successful on the merits or otherwise in the defense of such actions.

Section 1746 of the 1988 BCL provides that the foregoing provisions shall not be deemed exclusive of any other rights to which a person seeking indemnification may be entitled under, among other things, any by-law provision, provided that no indemnification may be made in any case where the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness.

Each of our By-Laws provide for the mandatory indemnification of directors and officers in accordance with and to the full extent permitted by the laws of the Commonwealth of Pennsylvania as in effect at the time of such indemnification. Each of our By-Laws also eliminate, to the maximum extent permitted by the laws of the Commonwealth of Pennsylvania, the personal liability of directors for monetary damages for any action taken, or any failure to take any action as a director, except in any case such elimination is not permitted by law.

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PNC has purchased directors' and officers' liability insurance covering certain liabilities that may be incurred by its directors and officers in connection with the performance of their duties. That insurance covers PNC Funding's directors and officers as well.

### **ITEM 16. EXHIBITS**

The exhibits listed on the Exhibit Index beginning on page II-7 of this registration statement are filed herewith, will be filed by amendment, or are incorporated herein by reference to other filings.

### **ITEM 17. UNDERTAKINGS**

(a) The undersigned Registrants hereby undertake:

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

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

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

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

Provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the Registrants pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in this Registration Statement.

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

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

(b) The undersigned Registrants hereby undertake that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrants annual reports pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) The undersigned Registrants hereby undertake that:

(1) For the purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrants pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it is declared effective; and

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

(d) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrants pursuant to the provisions set forth in Item 15, or otherwise, the Registrants have been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrants of expenses incurred or paid by a director, officer or controlling person of the Registrants in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrants will, unless in the opinion of their counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933, and will be governed by the final adjudication of such issue.

(e) The undersigned registrants hereby undertake to file an application for the purpose of determining the eligibility of the trustee to act under subsection (a) of Section 310 of the Trust Indenture Act of 1939 in accordance with the rules and regulations prescribed by the Commission under Section 305(b)(2) of said Act.



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<u>Signature</u>	<u>Title</u>	<u>Date</u>
* Thomas H. O'Brien	Director	June 30, 2005
* Jane G. Pepper	Director	June 30, 2005
* Lorene K. Steffes	Director	June 30, 2005
* Dennis F. Strigl	Director	June 30, 2005
Stephen G. Thieke	Director	
* Thomas J. Usher	Director	June 30, 2005
Milton A. Washington	Director	
* Helge H. Wehmeier	Director	June 30, 2005

\*By: /s/ Thomas R. Moore  
Thomas R. Moore, Attorney-in-Fact,  
pursuant to Powers of Attorney filed herewith  
Date: June 30, 2005



**EXHIBIT INDEX**

<b>Exhibit No</b>	<b>Name of Document</b>	<b>Method of Filing</b>
1.1	Form of Underwriting Agreement for Debt Securities	Incorporated herein by reference to Exhibit 1.1 of the Registration Statement on Form S-3 filed October 5, 1999 (Registration No. 333-88479).
1.2	Form of Underwriting Agreement for Common Stock Preferred Stock and Depositary Shares	Incorporated herein by reference to Exhibit 1.2 of the Registration Statement on Form S-3 filed August 29, 1997 (Registration No. 333-34709).
3.1	Articles of Incorporation of The PNC Financial Services Group, Inc., as amended	Incorporated herein by reference to Exhibit 3.1 of the Quarterly Report on Form 10-Q for the Quarter ended March 31, 2001 (File No. 1-9718).
3.2	By-laws of The PNC Financial Services Group, Inc., as amended	Incorporated herein by reference to Exhibit 3.2 of the Annual Report on Form 10-K for the year ended December 31, 2002 (File No. 1-9718).
3.3	Articles of Incorporation of PNC Funding Corp, as amended	Incorporated herein by reference to Exhibit 3.3 of the Registration Statement on Form S-3 filed August 29, 1997 (Registration No. 333-34709).
3.4	By-laws of PNC Funding Corp, as amended	Incorporated herein by reference to Exhibit 3.4 of the Registration Statement on Form S-3 filed August 29, 1997 (Registration No. 333-34709).
4.1	Form of Certificate for Common Stock	Incorporated herein by reference to Exhibit 4.1 of the Registration Statement on Form S-3 filed September 18, 2001 (Registration No. 333-69576).
4.2	Form of Certificate for Preferred Stock (with references to PNC Financial Corp now being The PNC Financial Services Group, Inc.)	Incorporated herein by reference to Exhibit 4.1 to the Registration Statement on Form S-3 filed September 24, 1991, in Pre-Effective Amendment No. 2 (File No. 33-40602).
4.3	Form of Statement with respect to Shares of Preferred Stock	To be filed in documents incorporated herein by reference.
4.4	Form of Deposit Agreement	Incorporated herein by reference to Exhibit 4.5 of the Registration Statement on Form S-3 filed August 29, 1997 (Registration No. 333-34709).
4.5	Form of Depositary Receipt	Incorporated herein by reference to Exhibit 4.6 of the Registration Statement on Form S-3 filed August 29, 1997 (Registration No. 333-34709).

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<u>Exhibit No</u>	<u>Name of Document</u>	<u>Method of Filing</u>
4.6	Indenture dated as of December 1, 1991, among PNC Funding Corp, as Issuer, PNC Financial Corp (now The PNC Financial Services Group, Inc.), as Guarantor, and Manufacturers Hanover Trust Company, as Trustee (of which JPMorgan Chase Bank, N.A., formerly known as Chemical Bank, is successor trustee)	Incorporated herein by reference to Exhibit 4.7 of the Registration Statement on Form S-3 filed August 29, 1997 (Registration No. 333-34709).
4.7	Supplemental Indenture dated as of February 15, 1993, among PNC Funding Corp, as Issuer, PNC Bank Corp. (now The PNC Financial Services Group, Inc.), as Guarantor, and Chemical Bank, as successor by merger to Manufacturers Hanover Trust Company and now known as JPMorgan Chase Bank, N.A.	Incorporated herein by reference to Exhibit 4.8 of the Registration Statement on Form S-3 filed August 29, 1997 (Registration No. 333-34709).
4.8	Second Supplemental Indenture dated as of February 15, 2000, among PNC Funding Corp, as Issuer, PNC Bank Corp. (now The PNC Financial Services Group, Inc.), as Guarantor, and Chemical Bank, as successor by merger to Manufacturers Hanover Trust Company and now known as JPMorgan Chase Bank, N.A.	Filed herewith.
4.9	Form of Debt Security and related Guarantee	To be filed in documents incorporated herein by reference.
4.10	Form of Subordinated Note and related Guarantee	Incorporated herein by reference to Exhibit 4.10 of the Registration Statement on Form S-3 filed August 29, 1997 (Registration No. 333-34709).
4.11	Form of Convertible Senior Debt Securities Indenture	Filed herewith.
4.12	Form of Convertible Senior Debt Securities and related Guarantee.	To be filed in documents incorporated herein by reference.
4.13	Form of Purchase Contract Agreement, including form of Security Certificate	To be filed in documents incorporated herein by reference.
4.14	Form of Unit Agreement, including form of Unit Certificate	To be filed in documents incorporated herein by reference.
4.15	Form of Warrant Agreement, including form of Warrant Certificate	To be filed in document incorporated herein by reference.
4.16	Rights Agreement between The PNC Financial Services Group Inc. and JP Morgan Bank, N.A. dated May 15, 2000	Incorporated herein by reference to Exhibit 1 of the Form 8-A that was filed on May 23, 2000 (File No. 1-9718).
4.17	First Amendment to Rights Agreement between the Corporation, the Chase Manhattan Bank, and Computershare Investor Services, LLC dated January 1, 2003	Incorporated herein by reference to Exhibit 4.8 of the Annual Report on Form 10-K for the year ended December 31, 2002.
5	Opinion of Thomas R. Moore, Esquire, as to the legality of the securities being registered	Filed herewith.



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<b>Exhibit No</b>	<b>Name of Document</b>	<b>Method of Filing</b>
12.1	Computation of Consolidated Ratio of Earnings to Fixed Charges	Filed herewith.
12.2	Computation of Consolidated Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends	Filed herewith.
23.1	Consent of Deloitte & Touche LLP	Filed herewith.
23.2	Consent of Thomas R. Moore, Esquire	Incorporated as part of Exhibit 5
24.1	Power of Attorney of certain directors and officers of The PNC Financial Services Group, Inc.	Filed herewith.
24.2	Power of Attorney of certain directors and officers of PNC Funding Corp	Filed herewith.
25.1	Form T-1 — Statement of Eligibility Under the Trust Indenture Act of 1939 of JPMorgan Chase Bank, N.A. to act as Trustee	Filed herewith.
25.2	Form T-1 — Statement of Eligibility Under the Trust Indenture Act of 1939 of JPMorgan Chase Bank, N.A. to act as Trustee	Filed herewith.

SECOND SUPPLEMENTAL INDENTURE (this "Second Supplemental Indenture") dated as of February 15, 2000 among PNC Funding Corp, a Pennsylvania corporation, as issuer (the "Company"), PNC Bank Corp. (formerly known as PNC Financial Corp), a Pennsylvania corporation (the "Guarantor") and The Chase Manhattan Bank (formerly known as Chemical Bank as successor by merger to Manufacturers Hanover Trust Company, as trustee (the "Trustee").

WHEREAS each of the Company, the Guarantor and the Trustee have heretofore executed and delivered to the Trustee an Indenture dated as of December 1, 1991, as amended by a Supplemental Indenture dated as of February 15, 1993 (as so amended, the "Indenture");

WHEREAS, pursuant to Section 3.01 of the Indenture and an Officers' Certificate dated November 2, 1999 (the "Authorizing Officers' Certificate"), the Company has heretofore created and issued a series of Securities designated as the "7.50% Subordinated Noted Due 2009" (the "Notes") limited to \$400,000,000 in aggregate principal amount;

WHEREAS Section 3.01 of the Indenture provides that the aggregate principal amount of all Securities that may be issued, authenticated and delivered under the Indenture is unlimited;

WHEREAS Section 9.02 of the Indenture provides that when authorized by a Board Resolution and with the consent of the Holders of not less than a majority in principal amount of the Outstanding Securities of all series (voting as one class) affected by such supplemental indenture or indentures, by Act of said Holders, delivered to the Company, the Guarantor and the Trustee, the Trustee may enter into a supplemental indenture for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of modifying in any manner the rights of the Holders of the Securities of each such series under the Indenture;

WHEREAS the purpose of this Second Supplemental Indenture is to provide for the issuance of up to \$100,000,000 aggregate principal amount of additional Notes with the same terms as the Notes in accordance with Section 3.01 of the Indenture (the "Additional Notes");

WHEREAS the Holders of the Notes are the only Holders of Securities issued under the Indenture that will be affected by any supplemental indenture providing for the issuance of Additional Notes and this Second Supplemental Indenture;

WHEREAS on February 11, 2000, the Holders of at least a majority in principal amount of the Outstanding Notes, by Act of such Holders, consented to the amendment of this Indenture and the execution and delivery of a supplemental indenture to provide for the issuance of up to \$100,000,000 aggregate principal amount of the Additional Notes; and

WHEREAS the Company has requested that the Trustee execute and deliver this Second Supplemental Indenture and all requirements necessary to make this Second Supplemental Indenture a valid instrument in accordance with its terms, and the execution and delivery of this Second Supplemental Indenture have been duly authorized in all respects.

NOW THEREFORE, the Company, the Guarantor and the Trustee hereby agree that the following Sections of this Second Supplemental Indenture supplement and amend the

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2.

Indenture to provide for the issuance of Additional Notes proposed to be issued thereunder on or after the date of this Second Supplemental Indenture:

SECTION 1. Definitions. Capitalized terms used herein and not defined herein have the meanings ascribed to such terms in the Indenture.

SECTION 2. Issuance of Additional Notes. (a) The terms of the Notes are hereby amended to permit the Company to issue from time to time on or after the date hereof up to \$100,000,000 aggregate principal amount of Additional Notes under the Indenture, so that the aggregate principal amount of Notes that may be authenticated and delivered under the Indenture is limited to \$500,000,000, subject to the exceptions set forth in paragraph 3 of the Authorizing Officers' Certificate. Additional Notes shall constitute the same series as the Notes and be treated as a single class with the Outstanding Notes for all purposes under the Indenture.

(b) The Additional Notes shall have the same terms as the Notes as set forth in the Authorizing Officers' Certificate with respect to the interest rate, interest accrual, interest payment dates, maturity, redemption provisions, and other terms.

(c) No Additional Notes may be issued with original issue discount for United States Federal income tax purposes.

SECTION 3. Forms of Notes. (a) Each certificate representing Notes that is issued after the date hereof shall (i) refer to this Second Supplemental Indenture and (ii) specify the revised aggregate principal amount of Notes that may be issued pursuant to the Indenture.

SECTION 4. This Second Supplemental Indenture. This Second Supplemental Indenture shall be construed as supplemental to the Indenture and shall form a part of it, and the Indenture is hereby incorporated by reference herein and each is hereby ratified, approved and confirmed.

SECTION 5. GOVERNING LAW. THIS SECOND SUPPLEMENTAL INDENTURE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE JURISDICTION WHICH GOVERN THE INDENTURE AND ITS CONSTRUCTION.

SECTION 6. Counterparts. This Second Supplemental Indenture may be executed in two or more counterparts, each of which shall constitute an original, but all of which when taken together shall constitute but one instrument.

SECTION 7. Headings. The headings of this Second Supplemental Indenture are for reference only and shall not limit or otherwise affect the meaning hereof.

SECTION 8. Trustee Not Responsible for Recitals. The recitals herein contained are made by the Company and not by the Trustee, and the Trustee assumes no responsibility for the correctness thereof. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Second Supplemental Indenture.

SECTION 9. Separability. In case any one or more of the provisions contained in this Second Supplemental Indenture shall for any reason be held to be invalid, illegal or

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3.

unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Second Supplemental Indenture, but this Second Supplemental Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

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4.

IN WITNESS WHEREOF, the parties hereto have caused this Second Supplemental Indenture to be duly executed by their respective authorized officers as of the date first written above.

(Corporate Seal)  
Attest:

/s/ THOMAS R. MOORE  
Secretary

PNC FUNDING CORP, as Issuer,

by /s/ RANDALL C. KING  
Name: Randall C. King  
Title: Senior Vice President

(Corporate Seal)  
Attest:

/s/ THOMAS R. MOORE  
Secretary

PNC BANK CORP, as Guarantor,

by /s/ RANDALL C. KING  
Name: Randall C. King  
Title: Senior Vice President

(Corporate Seal)  
Attest:

/s/ N. RODRIGUEZ  
Title: Natalia Rodriguez  
Trust Officer

THE CHASE MANHATTAN BANK,  
as Trustee

by /s/ WILLIAM G. KEENAN  
Name: William Keenan  
Title: Trust Officer

PNC FUNDING CORP, ISSUER

AND

THE PNC FINANCIAL SERVICES GROUP, INC., GUARANTOR

AND

JPMORGAN CHASE BANK, N.A., TRUSTEE

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INDENTURE

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DATED AS OF JUNE 30, 2005

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Guaranteed Convertible Senior Debt Securities

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SHOWING REFLECTION OF CERTAIN PROVISIONS REQUIRED PURSUANT TO SECTIONS 3.10 THROUGH 3.18(a), INCLUSIVE, OF THE TRUST INDENTURE ACT OF 1939 (WHICH PURSUANT TO SECTION 318(C) OF THE TRUST INDENTURE ACT OF 1939 ARE PART OF AND GOVERN SUCH PROVISIONS OF THE INDENTURE WHETHER OR NOT CONTAINED THEREIN):

TRUST INDENTURE ACT SECTION	INDENTURE SECTION
Section 3.10 (a)(1)	6.09
(a)(2)	6.09
(a)(3)	Not Applicable
(a)(4)	Not Applicable
(b)	6.08, 6.10(a), (b), and (d)
(c)	Not Applicable
Section 3.11 (a)	6.13
(b)	6.13
(c)	Not Applicable
Section 3.12 (a)	7.01, 7.02
(b)	7.02
Section 3.13(a)	7.03
(b)	7.03
(c)	7.03
(d)	7.03
Section 3.14(a)(1), (2) and (3)	7.04
(a)(4)	10.04
(b)	Not Applicable
(c)(1)	1.02
(c)(2)	1.02
(c)(3)	Not Applicable
(d)	Not Applicable
(e)	1.02
Section 3.15(a)	6.01
(b)	6.02
(c)	6.01

TRUST INDENTURE ACT SECTION	INDENTURE SECTION
(d)	6.01
(e)	5.14
Section 3.16(a)(1)(A)	5.02, 5.12
(a)(1)(B)	5.13
(a)(2)	Not Applicable
(b)	5.08
Section 3.17(a)(1)	5.03
(a)(2)	5.04
(b)	10.03
Section 3.18(a)	1.07

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NOTE: This table is not a part of the Indenture.



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INDENTURE, dated as of June 30, 2005, among PNC Funding Corp, a Pennsylvania corporation (herein called the "Company," which term shall include any successors and assigns pursuant to the terms of this Indenture) having its principal office at One PNC Plaza, 249 Fifth Avenue, Pittsburgh, Pennsylvania 15222 and The PNC Financial Services Group, Inc., a Pennsylvania Corporation (herein called the "Guarantor," which term shall include any successors and assigns pursuant to the terms of this Indenture) having its principal executive office at One PNC Plaza, 249 Fifth Avenue, Pittsburgh, Pennsylvania 15222, and JPMorgan Chase Bank, N.A., as Trustee (herein called the "Trustee").

#### RECITALS OF THE COMPANY

WHEREAS, the Company has duly authorized the execution and delivery of this Indenture to provide for the issuance from time to time of its unsecured, convertible debentures, notes or other evidences of indebtedness (herein called the "Securities"), to be issued in one or more series as in this Indenture provided;

WHEREAS, the Guarantor deems it appropriate to guarantee the Securities on the terms hereinafter provided, and to provide therefor, the Guarantor has duly authorized the execution and delivery of this Indenture;

WHEREAS, the Trustee deems it appropriate to serve as Trustee on the terms hereinafter provided, and to provide therefor, the Trustee has duly authorized the execution and delivery of this Indenture; and

WHEREAS, all things necessary to make this Indenture a valid agreement of the Company, the Guarantor and the Trustee in accordance with its terms, have been done.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Securities by the Holders thereof, it is mutually agreed, for the equal and proportionate benefit of all Holders of the Securities or of series thereof, as follows:

#### ARTICLE ONE

##### DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

###### SECTION 1.01. DEFINITIONS.

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

- (1) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;
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(2) all other terms used herein which are defined in the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them therein;

(3) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles, and, except as otherwise herein expressly provided, the term “generally accepted accounting principles” with respect to any computation required or permitted hereunder shall mean such accounting principles as are generally accepted in the United States of America;

(4) unless the context otherwise requires, any reference to an “Article” or a “Section” refers to an Article or a Section, as the case may be, of this Indenture; and

(5) the words “herein”, “hereof” and “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

“Act”, when used with respect to any Holder, has the meaning specified in Section 1.04.

“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 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.

“Authorized Newspaper” means a newspaper customarily published at least once a day, and customarily published for at least five days in each calendar week, and of general circulation in such city or cities as the Place of Payment.

“Board of Directors” means, with respect to the Company or the Guarantor, either the board of directors of the Company or the Guarantor, as the case may be, or the executive committee of that board or other committee duly authorized to act on behalf of the board with regard to a given matter.

“Board Resolution” means, with respect to the Company or the Guarantor, a copy of a resolution certified by the Secretary or an Assistant Secretary or Associate Secretary of the Company or the Guarantor, as the case may be, 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”, when used with respect to any Place of Payment, means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions or trust companies in that Place of Payment are authorized or obligated by law or executive order to close.

“Commission” means the Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act, or, if at any time after the execution of this instrument such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties at such time.

“Capital Stock” means, as to shares of a particular corporation, outstanding shares of stock of any class whether now or hereafter authorized, irrespective of whether such class shall be limited to a fixed sum or percentage in respect of the rights of the holders thereof to participate in dividends and in the distribution of assets upon the voluntary liquidation, dissolution or winding up of such corporation.

“Company” means the Person named as the “Company” in the first paragraph of this instrument until a successor Person shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Company” shall mean such successor Person.

“Company Request”, “Company Order”, “Guarantor Request” and Guarantor Order” means a written request or order signed in the name of the Company or the Guarantor by its Chairman of the Board, its Vice Chairman of the Board, its President or a Vice President, and by its Treasurer, an Assistant Treasurer, its Secretary or an Assistant Secretary or Associate Secretary, and delivered to the Trustee.

“Consolidated Banking Assets” means the aggregate of the assets of all Subsidiary Banks (including Subsidiaries of such Subsidiary Banks).

“Corporate Trust Office” means the designated corporate trust office of the Trustee at which at any particular time its corporate trust business shall be administered, which office at the date hereof is located at 4 New York Plaza, 15<sup>th</sup> Floor, New York, NY 10004.

“corporation” means a corporation, association, company, joint-stock company or business trust.

“Covenant Defeasance” has the meaning specified in Section 13.03.

“Defaulted Interest” has the meaning specified in Section 3.07.

“Defeasance” has the meaning specified in Section 13.02.

“Depository” means, with respect to Securities of any series issuable in whole or in part in the form of one or more Global Securities, a clearing agency registered under the Exchange Act that is designated to act as Depository for such Securities as contemplated by Section 3.01.

“Event of Default” has the meaning specified in Section 5.01.

“Exchange Act” means the Securities Exchange Act of 1934 and any statute successor thereto, in each case as amended from time to time.



“Expiration Date” has the meaning specified in Section 1.04.

“Global Security” means a Security that evidences all or part of the Securities of any series and bears the legend set forth in Section 2.05 or such legend as may be specified as contemplated by Section 3.01 for such Securities).

“Guarantor Common Stock” means any stock of any class of the Guarantor which has 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 Guarantor and which is not subject to redemption by the Guarantor. However, subject to the provisions of Article Fourteen, shares issuable on conversion of Securities shall include only shares of the class designated as Guarantor Common Stock at the date of this instrument or shares of any class or classes resulting from any reclassification or reclassifications thereof and which 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 Guarantor and which are not subject to redemption by the Guarantor; 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 which 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.

“Guarantee” means the Guarantor’s unconditional guarantee of the payment of the Securities as more fully described in Article Three.

“Guarantor” means the Person named as the “Guarantor” in the first paragraph of this instrument until a successor corporation shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Guarantor” shall mean such successor corporation.

“Holder” means a Person in whose name a Security is registered in the Security Register.

“Indenture” means this instrument as originally executed and as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof, including, for all purposes of this instrument and any such supplemental indenture, the provisions of the Trust Indenture Act that are deemed to be a part of and govern this instrument and any such supplemental indenture, respectively. The term “Indenture” shall also include the terms of particular series of Securities established as contemplated by Section 3.01.

“Interest”, when used with respect to an Original Issue Discount Security which by its terms bears interest only after Maturity, means interest payable after Maturity.

“Interest Payment Date”, when used with respect to any Security, means the Stated Maturity of an installment of interest on such Security.

“Investment Company Act” means the Investment Company Act of 1940 and any statute successor thereto, in each case as amended from time to time.

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

“Notice of Default” means a written notice of the kind specified in Section 5.01(3).

“Officers’ Certificate” means a certificate signed by the Chairman of the Board, a Vice Chairman of the Board, the President or a Vice President, and by the Treasurer, an Assistant Treasurer, the Secretary or an Assistant Secretary or Associate Secretary, of the Company or the Guarantor, as the case may be and delivered to the Trustee.

“Opinion of Counsel” means a written opinion of counsel, who may be counsel for the Company or the Guarantor, or other counsel and who shall be acceptable to the Trustee.

“Original Issue Discount Security” means any Security which provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 5.02.

“Outstanding”, when used with respect to Securities, means, as of the date of determination, all Securities theretofore authenticated and delivered under this Indenture, except:

- (1) Securities theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;
- (2) Securities for whose payment or redemption money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent (other than the Company) in trust or set aside and segregated in trust by the Company (if the Company shall act as its own Paying Agent) for the Holders of such Securities; provided that, if such Securities 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;
- (3) Securities as to which Defeasance has been effected pursuant to Section 13.02; and
- (4) Securities which have been paid pursuant to Section 3.06 or in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to this Indenture, other than any such Securities in respect of which there shall have been presented to the Trustee proof satisfactory to it that such Securities are held by a bona fide purchaser in whose hands such Securities are valid obligations of the Company;

provided, however, that in determining whether the Holders of the requisite principal amount of the Outstanding Securities have given, made or taken any request, demand, authorization, direction, notice, consent, waiver or other action hereunder as of any date, (A) the principal amount of an Original Issue Discount Security which shall be deemed to be Outstanding shall be the amount of the principal thereof which would be due and payable as of such date upon

acceleration of the Maturity thereof to such date pursuant to Section 5.02, (B) if, as of such date, the principal amount payable at the Stated Maturity of a Security is not determinable, the principal amount of such Security which shall be deemed to be Outstanding shall be the amount as specified or determined as contemplated by Section 3.01, (C) the principal amount of a Security denominated in one or more foreign currencies or currency units which shall be deemed to be Outstanding shall be the U.S. dollar equivalent, determined as of such date in the manner provided as contemplated by Section 3.01, of the principal amount of such Security (or, in the case of a Security described in Clause (A) or (B) above, of the amount determined as provided in such Clause), and (D) Securities owned by the Company, the Guarantor, or any other obligor upon the Securities or any Affiliate of the Company, the Guarantor or of such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent, waiver or other action, only Securities which a Responsible Officer of the Trustee actually knows to be so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Company, the Guarantor or any other obligor upon the Securities or any Affiliate of the Company, the Guarantor or of such other obligor.

"Paying Agent" means any Person authorized by the Company to pay the principal of or any premium or interest on any Securities on behalf of the Company.

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

"Place of Payment", when used with respect to the Securities of any series, means the place or places where the principal of and any premium and interest on the Securities of that series are payable as specified as contemplated by Section 3.01.

"Predecessor Security" of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security; and, for the purposes of this definition, any Security authenticated and delivered under Section 3.06 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Security shall be deemed to evidence the same debt as the mutilated, destroyed, lost or stolen Security.

"Principal Subsidiary Bank" means each of (i) PNC Bank, National Association (ii) any other Subsidiary Bank the consolidated assets of which constitute 20% or more of the consolidated assets of the Guarantor and its Subsidiaries, (iii) any other Subsidiary Bank designated as a Principal Subsidiary Bank pursuant to a Board Resolution and set forth in an Officers' Certificate, and (iv) any Subsidiary that owns, directly or indirectly, any Voting Shares, or securities convertible into, or options, warrants or rights to subscribe for or purchase Voting Shares, of any Principal Subsidiary Bank under clause (i), (ii) or (iii), and in the case of clause (i), (ii), (iii) or (iv) their respective successors (whether by consolidation, merger, conversion, transfer of substantially all their assets and business or otherwise) so long as any such successor

is a Subsidiary Bank (in the case of clause (i), (ii) or (iii) or a Subsidiary (in the case of clause (iv)).

“Redemption Date”, when used with respect to any Security to be redeemed, means the date fixed for such redemption by or pursuant to this Indenture.

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

“Regular Record Date” for the interest payable on any Interest Payment Date on the Securities of any series means the date specified for that purpose as contemplated by Section 3.01.

“Responsible Officer”, when used with respect to the Trustee, shall mean any Vice President, any Assistant Vice President, any Senior Trust Officer, any Trust Officer or any Assistant Trust Officer employed in the Corporate Trust Office or any other officer or assistant officer of the Trustee customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of his knowledge of and familiarity with the particular subject.

“Securities” has the meaning stated in the first recital of this Indenture and more particularly means any Securities authenticated and delivered under this Indenture.

“Securities Act” means the Securities Act of 1933 and any statute successor thereto, in each case as amended from time to time.

“Security Register” and “Security Registrar” have the respective meanings specified in Section 3.05.

“Special Record Date” for the payment of any Defaulted Interest means a date fixed by the Trustee pursuant to Section 3.07.

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

“Subsidiary” means any corporation a majority of the Voting Shares of which at the time are owned directly or indirectly by the Guarantor or by one or more other Subsidiaries or by the Guarantor and one or more other Subsidiaries.

“Subsidiary Bank” means any Subsidiary that is organized under the laws of the United States, any State of the United States, the District of Columbia, any territory of the United States, Puerto Rico, Guam, American Samoa or the Virgin Islands and either (i) accepts deposits that the depositor has a legal right to withdraw on demand and engages in the business of making commercial loans or (ii) is a trust company.

“Trust Indenture Act” means the Trust Indenture Act of 1939 as amended and as in force at the date as of which this instrument was executed; provided, however, that in the event the Trust Indenture Act of 1939 is amended after such date, “Trust Indenture Act” means, to the extent required by any 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 instrument until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Trustee” shall mean or include each Person who is then a Trustee hereunder, and if at any time there is more than one such Person, “Trustee” as used with respect to the Securities of any series shall mean the Trustee with respect to Securities of that series.

“U.S. Government Obligation” has the meaning specified in Section 13.04.

“Vice President”, when used with respect to the Company, the Guarantor or the Trustee, means any vice president, whether or not designated by a number or a word or words added before or after the title “vice president”.

“Voting Shares” means, as to shares of a particular corporation, outstanding shares of Capital Stock of any class or classes having voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of such corporation (irrespective of whether at the time stock of any other class or classes shall have or might have voting power by reason of the failure to pay a dividend or other amount or by reason of the occurrence of any other contingency).

#### SECTION 1.02. COMPLIANCE CERTIFICATES AND OPINIONS.

Upon any application or request by the Company or the Guarantor to the Trustee to take any action under any provision of this Indenture, the Company or the Guarantor, as the case may be, shall furnish to the Trustee such certificates and opinions as may be required under the Trust Indenture Act. Each such certificate or opinion shall be given in the form of an Officers’ Certificate, if to be given by an officer of the Company or the Guarantor, or an Opinion of Counsel, if to be given by counsel, and shall comply with the requirements of the Trust Indenture Act and any other requirements set forth in this Indenture.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture (other than annual certificates provided pursuant to Section 10.04) shall include,

- (1) a statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;
- (2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

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

(4) a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

#### SECTION 1.03. FORM OF DOCUMENTS DELIVERED TO TRUSTEE.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Company or the Guarantor may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate or opinion of counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Company or the Guarantor stating that the information with respect to such factual matters is in the possession of the Company or the Guarantor, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Any certificate or opinion of any independent registered public accounting firm filed with the Trustee shall contain a statement that such firm is independent.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

#### SECTION 1.04. ACTS OF HOLDERS; RECORD DATES.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided or permitted by this Indenture to be given, made or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to the Company and the Guarantor. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 6.01) conclusive in

favor of the Trustee and the Company and the Guarantor, if made in the manner provided in this Section.

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

(c) The ownership of Securities shall be proved by the Security Register.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other Act of the Holder of any Security shall bind every future Holder of the same Security and the Holder of every Security issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Trustee, the Company or the Guarantor in reliance thereon, whether or not notation of such action is made upon such Security.

(e) The Company may set any day as a record date for the purpose of determining the Holders of Outstanding Securities of any series entitled to give, make or take any request, demand, authorization, direction, notice, consent, waiver or other action provided or permitted by this Indenture to be given, made or taken by Holders of Securities of such series, provided that the Company may not set a record date for, and the provisions of this paragraph shall not apply with respect to, the giving or making of any notice, declaration, request or direction referred to in the next paragraph. If any record date is set pursuant to this paragraph, the Holders of Outstanding Securities of the relevant series on such record date, and no other Holders, shall be entitled to take the relevant action, whether or not such Holders remain Holders after such record date; provided that no such action shall be effective hereunder unless taken on or prior to the applicable Expiration Date by Holders of the requisite principal amount of Outstanding Securities of such series on such record date. Nothing in this paragraph shall be construed to prevent the Company from setting a new record date for any action for which a record date has previously been set pursuant to this paragraph (whereupon the record date previously set shall automatically and with no action by any Person be cancelled and of no effect), and nothing in this paragraph shall be construed to render ineffective any action taken by Holders of the requisite principal amount of Outstanding Securities of the relevant series on the date such action is taken. Promptly after any record date is set pursuant to this paragraph, the Company, at its own expense, shall cause notice of such record date, the proposed action by Holders and the applicable Expiration Date to be given to the Trustee in writing and to each Holder of Securities of the relevant series in the manner set forth in Section 1.06.

The Trustee may set any day as a record date for the purpose of determining the Holders of Outstanding Securities of any series entitled to join in the giving or making of (i) any Notice of Default, (ii) any declaration of acceleration referred to in Section 5.02, (iii) any request to institute proceedings referred to in Section 5.07(2) or (iv) any direction referred to in Section 5.12, in each case with respect to Securities of such series. If any record date is set pursuant to this paragraph, the Holders of Outstanding Securities of such series on such record date, and no other Holders, shall be entitled to join in such notice, declaration, request or direction, whether or not such Holders remain Holders after such record date; provided that no such action shall be effective hereunder unless taken on or prior to the applicable Expiration

Date by Holders of the requisite principal amount of Outstanding Securities of such series on such record date. Nothing in this paragraph shall be construed to prevent the Trustee from setting a new record date for any action for which a record date has previously been set pursuant to this paragraph (whereupon the record date previously set shall automatically and with no action by any Person be cancelled and of no effect), and nothing in this paragraph shall be construed to render ineffective any action taken by Holders of the requisite principal amount of Outstanding Securities of the relevant series on the date such action is taken. Promptly after any record date is set pursuant to this paragraph, the Trustee, at the Company's expense, shall cause notice of such record date, the proposed action by Holders and the applicable Expiration Date to be given to the Company in writing and to each Holder of Securities of the relevant series in the manner set forth in Section 1.06.

With respect to any record date set pursuant to this Section, the party hereto which sets such record date may designate any day as the "Expiration Date" and from time to time may change the Expiration Date to any earlier or later day; provided that no such change shall be effective unless notice of the proposed new Expiration Date is given to the other party hereto in writing, and to each Holder of Securities of the relevant series in the manner set forth in Section 1.06, on or prior to the existing Expiration Date. If an Expiration Date is not designated with respect to any record date set pursuant to this Section, the party hereto which set such record date shall be deemed to have initially designated the 180th day after such record date as the Expiration Date with respect thereto, subject to its right to change the Expiration Date as provided in this paragraph. Notwithstanding the foregoing, no Expiration Date shall be later than the 180th day after the applicable record date.

Without limiting the foregoing, a Holder entitled hereunder to take any action hereunder with regard to any particular Security may do so with regard to all or any part of the principal amount of such Security or by one or more duly appointed agents each of which may do so pursuant to such appointment with regard to all or any part of such principal amount.

#### SECTION 1.05. NOTICES, ETC., TO TRUSTEE AND COMPANY.

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

(1) the Trustee by any Holder or by the Company or the Guarantor shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the Trustee at its Corporate Trust Office, Attention: Institutional Trust Services, or

(2) the Company or the Guarantor by the Trustee or by any Holder shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to the Company or the Guarantor addressed to it at the address of its principal office specified in the first paragraph of this instrument or at any other address previously furnished in writing to the Trustee by the Company or the Guarantor.



SECTION 1.06. NOTICE TO HOLDERS; WAIVER.

Where this Indenture provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Holder affected by such event, at his address as it appears in the Security Register, not later than the latest date (if any), and not earlier than the earliest date (if any), prescribed for the giving of such notice. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

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

SECTION 1.07. CONFLICT WITH TRUST INDENTURE ACT.

If any provision hereof limits, qualifies or conflicts with a provision of the Trust Indenture Act which is required or deemed under such Act to be a part of and govern this Indenture, the latter provision shall control. If any provision of this Indenture modifies or excludes any provision of the Trust Indenture Act which may be so modified or excluded, the latter provision shall be deemed to apply to this Indenture as so modified or to be excluded, as the case may be.

SECTION 1.08. EFFECT OF HEADINGS AND TABLE OF CONTENTS.

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

SECTION 1.09. SUCCESSORS AND ASSIGNS.

All covenants and agreements in this Indenture by the Company and the Guarantor shall bind their respective successors and assigns, whether so expressed or not.

SECTION 1.10. SEPARABILITY CLAUSE.

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

SECTION 1.11. BENEFITS OF INDENTURE.

Nothing in this Indenture or in the Securities, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder and the Holders, any benefit or any legal or equitable right, remedy or claim under this Indenture.

SECTION 1.12. GOVERNING LAW.

This Indenture and the Securities shall be governed by and construed in accordance with the law of the Commonwealth of Pennsylvania, without regard to conflict of laws principles thereof, except that the rights, immunities, duties and liabilities of the Trustee as a trustee and any right and immunities limiting such liability shall be governed by the laws of the State in which the principal office of the Trustee shall be located.

SECTION 1.13. LEGAL HOLIDAYS.

In any case where any Interest Payment Date, Redemption Date or Stated Maturity of any Security or the last date on which a Holder of Securities has the right to convert its Securities, shall not be a Business Day at any Place of Payment, then (notwithstanding any other provision of this Indenture or of the Securities (other than a provision of any Security which specifically states that such provision shall apply in lieu of this Section)) payment of interest or principal (and premium, if any) or conversion of the Securities need not be made at such Place of Payment on such date, but may be made on the next succeeding Business Day at such Place of Payment with the same force and effect as if made on the Interest Payment Date or Redemption Date, or at the Stated Maturity or on such last day for conversion.

ARTICLE TWO

SECURITY FORMS

SECTION 2.01. FORMS GENERALLY.

The Guarantees and the Securities of each series and the certificates of authentication on the Securities shall be in substantially the form as shall be established pursuant to this Article and Section 3.01, in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification or designation and such legends or endorsements placed thereon as the Company may deem appropriate and as are not inconsistent with the provisions of this Indenture (and which do not effect the rights, duties or immunities of the Trustee) or as may be required to comply with any law or with any rules or regulations made pursuant thereto or with any rules or regulations of any securities exchange or as may, consistently herewith, be determined by the officers executing such Guarantees and Securities as evidenced by their execution of the Guarantees and Securities.

The definitive Guarantees and Securities of each series shall be printed, lithographed or engraved on steel engraved borders or may be produced in any other manner, all as determined

by the officers executing such Guarantees and Securities as evidenced by their execution of such Guarantees and Securities subject, with respect to the Securities and Guarantees of any series, to the rules of any securities exchange on which the Securities of such series are listed.

SECTION 2.02. FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION.

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

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

JPMORGAN CHASE BANK, N.A., AS TRUSTEE

BY \_\_\_\_\_  
AUTHORIZED SIGNATURE

SECTION 2.03. FORMS OF SECURITY.

Each Security shall be in a form approved from time to time by or pursuant to a Company Board Resolution, or established in one or more indentures supplemental hereto. Prior to the delivery of a Security to the Trustee for authentication in any form approved by or pursuant to a Company Board Resolution, the Company shall deliver to the Trustee the Company Board Resolution by or pursuant to which such form of Security has been approved, which Company Board Resolution shall have attached thereto a true and correct copy of the form of Security which has been approved by or pursuant thereto, and, if a Company Board Resolution authorizes a specific officer or officers of the Company to approve a form of Security, a certificate of such officer or officers approving the form of Security attached thereto. Any form of Security approved by or pursuant to a Company Board Resolution must be acceptable as to form to the Trustee, such acceptance to be evidenced by a certificate signed by a Responsible Officer of the Trustee and delivered to the Company or by the Trustee's execution of the certificate of authentication appearing thereon.

SECTION 2.04. FORM OF GUARANTEE.

Each Guarantee shall be in a form approved from time to time by or pursuant to a Guarantor Board Resolution, or established in one or more indentures supplemental hereto. Prior to the execution of a Guarantee in any form approved by or pursuant to a Guarantor Board Resolution, the Guarantor shall deliver to the Trustee the Guarantor Board Resolution by or pursuant to which such form of Guarantee has been approved, which Guarantor Board Resolution shall have attached thereto a true and correct copy of the form of Guarantee which has been approved by or pursuant thereto, and, if a Guarantor Board Resolution authorizes a specific officer or officers of the Guarantor to approve a form of Guarantee, a certificate of such officer or officers approving the form of Guarantee attached thereto. Any form of Guarantee approved by or pursuant to a Guarantor Board Resolution must be acceptable as to form to the Trustee, such acceptance to be evidenced by a certificate signed by a Responsible Officer of the Trustee and delivered to the Guarantor.

SECTION 2.05. FORM OF LEGEND FOR GLOBAL SECURITIES.

Unless otherwise specified as contemplated by Section 3.01 for the Securities evidenced thereby, every Global Security authenticated and delivered hereunder shall bear a legend in substantially the following form:

“UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SECURITIES OF THIS SERIES IN CERTIFICATED FORM, THIS SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH DEPOSITARY. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF SUCH A TRANSFEROR TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF SUCH A TRANSFEREE OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF SUCH A TRANSFEROR AND ANY PAYMENT IS MADE TO SUCH A TRANSFEREE, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, SUCH A TRANSFEROR, HAS AN INTEREST HEREIN.”

ARTICLE THREE

THE SECURITIES

SECTION 3.01. TITLE AND TERMS.

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

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

- (1) the form of the Securities of the series;
- (2) the title of the Securities of the series (which shall distinguish the Securities of the series from Securities of any other series);
- (3) any limit upon the aggregate principal amount of the Securities of the series which may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of the series pursuant to Section 3.04, 3.05, 3.06, 9.06, 11.07

or 14.02 and except for any Securities which, pursuant to Section 3.03, are deemed never to have been authenticated and delivered hereunder);

(4) the date or dates on which Securities may be issued;

(5) the date or dates on which the principal of any Securities of the series is payable;

(6) the rate or rates at which any Securities of the series shall bear interest, if any, the date or dates from which any such interest shall accrue, the Interest Payment Dates on which any such interest shall be payable, the manner (if any) of determination of such Interest Payment Dates and the Regular Record Date for any such interest payable on any Interest Payment Date;

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

(8) the period or periods within which, the price or prices at which and the terms and conditions upon which any Securities of the series may be redeemed, in whole or in part, at the option of the Company and, if other than by a Board Resolution, the manner in which any election by the Company to redeem the Securities shall be evidenced;

(9) the obligation, if any, of the Company to redeem or purchase any Securities of the series pursuant to any sinking fund or analogous provisions or at the option of the Holder thereof and the period or periods within which, the price or prices at which and the terms and conditions upon which any Securities of the series shall be redeemed or purchased, in whole or in part, pursuant to such obligation;

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

(11) if the amount of principal of or any premium or interest on any Securities of the series may be determined with reference to an index or pursuant to a formula, the manner in which such amounts shall be determined;

(12) if other than the currency of the United States of America, the currency, currencies or currency units in which the principal of or any premium or interest on any Securities of the series shall be payable and the manner of determining the equivalent thereof in the currency of the United States of America for any purpose, including for purposes of the definition of "Outstanding" in Section 1.01;

(13) if the principal of or any premium or interest on any Securities of the series is to be payable, at the election of the Company or the Holder thereof, in one or more currencies or currency units other than that or those in which such Securities are stated to be payable, the currency, currencies or currency units in which the principal of

or any premium or interest on such Securities as to which such election is made shall be payable, the periods within which and the terms and conditions upon which such election is to be made and the amount so payable (or the manner in which such amount shall be determined);

(14) if other than the entire principal amount thereof, the portion of the principal amount of any Securities of the series which shall be payable upon declaration of acceleration of the Maturity thereof pursuant to Section 5.02;

(15) if applicable, that the Securities of the series, in whole or any specified part, shall be defeasible pursuant to Section 13.02 or Section 13.03 or both such Sections and, if other than by a Board Resolution, the manner in which any election by the Company to defease such Securities shall be evidenced;

(16) if applicable, that any Securities of the series shall be issuable in whole or in part in the form of one or more Global Securities and, in such case, the respective Depositories for such Global Securities, the form of any legend or legends which shall be borne by any such Global Security in addition to or in lieu of that set forth in Section 2.05 and any circumstances in addition to or in lieu of those set forth in Clause (2) of the last paragraph of Section 3.05 in which any such Global Security may be exchanged in whole or in part for Securities registered, and any transfer of such Global Security in whole or in part may be registered, in the name or names of Persons other than the Depository for such Global Security or a nominee thereof;

(17) any addition to or change in the Events of Default which applies to any Securities of the series and any change in the right of the Trustee or the requisite Holders of such Securities to declare the principal amount thereof due and payable pursuant to Section 5.02;

(18) the price or rate at which shares of Guarantor Common Stock will be delivered upon conversion of the Securities of the series, any circumstances in which such price or rate will be adjusted, the closing price for determining payment in respect of fractional shares, and any addition to or change in article Fourteen with respect to Securities of the series;

(19) whether payment of the principal of, premium, if any, and interest, if any, on Securities of such series shall be with or without deduction for taxes, assessments or governmental charges, and with or without reimbursement of taxes, assessments or governmental charges paid by holders;

(20) if the Securities of such series do not bear interest, the applicable date for the purpose of Section 7.01 clause (1);

(21) if other than as set forth herein, provisions for the satisfaction and discharge of the indebtedness represented by the Securities of such series; and

(22) any other terms of the series (which terms shall not be inconsistent with the provisions of this Indenture).

The payment of principal and premium, if any, and interest and sinking fund payments, if any, on or relating to the Securities of each series shall be unconditionally guaranteed by the Guarantor.

The Trustee shall be entitled to receive and shall be fully protected in relying on, in addition to the Opinion of Counsel to be furnished to the Trustee pursuant to Section 1.02, with the Officers' Certificate relating to the issuance of any series of Securities, an Opinion of Counsel stating that:

(1) all instruments furnished to the Trustee conform to the requirements of this Indenture and constitute sufficient authority hereunder for the Trustee to authenticate and deliver such Securities;

(2) all laws and requirements with respect to the form and execution by the Company and the Guarantor of the supplemental indenture (or the applicable Board Resolution), if any, have been complied with and the execution and delivery of the supplemental indenture, if any, by the Trustee will not violate this Indenture, the Company and the Guarantor have corporate power to execute and deliver any such supplemental indenture and have power to execute and deliver any such supplemental indenture (or to adopt the applicable Board Resolution) and have taken all necessary corporate action for those purposes and any such supplemental indenture has been executed and delivered and constitutes the legal, valid and binding obligation of the Company and the Guarantor enforceable in accordance with its terms (subject, as to enforcement of remedies, to applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting creditors' rights generally from time to time in effect);

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

(4) all laws and requirements with respect to the execution and delivery by the Company of such Securities and by the Guarantor of the Guarantees endorsed thereon have been complied with and the authentication and delivery of any such Securities by the Trustee will not violate the terms of the Indenture, the Company has the corporate power to issue such Securities and the Guarantor has the corporate power to issue such Guarantees, and such Securities and Guarantees have been duly authorized and delivered by the Company and the Guarantor, respectively, and, assuming due authentication and delivery of such Securities by the Trustee, such Securities and Guarantees constitute legal, valid and binding obligations of the Company and the Guarantor, respectively, enforceable in accordance with their terms (subject, as to enforcement of remedies to applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting creditors' rights generally from time to time in effect) and entitled to the benefits of this

Indenture, equally and ratably with all other Guarantees and all other Securities, if any, of such series Outstanding;

(5) the amount of the Securities Outstanding, including such Securities, does not exceed the amount at the time permitted by law;

(6) this Indenture is qualified under the Trust Indenture Act; and

(7) the issuance of such Securities will not contravene the Articles of Incorporation or the By-Laws of the Company or the Guarantor or result in any violation of any of the terms or the provisions of any indenture, mortgage or other agreement known to such counsel by which the Company, the Guarantor or any of its subsidiaries is bound. In addition, the Opinion of Counsel and the Officers' Certificate will cover such other matters as the Trustee may reasonably request.

#### SECTION 3.02. DENOMINATIONS.

The Securities of each series shall be issuable only in fully registered form without coupons and only in such denominations as shall be specified as contemplated by Section 3.01. In the absence of any such specified denomination with respect to the Securities of any series, the Securities of such series shall be issuable in denominations of \$1,000 and any integral multiple thereof.

#### SECTION 3.03. EXECUTION, AUTHENTICATION, DELIVERY AND DATING.

The Securities shall be executed on behalf of the Company and the Guarantees endorsed thereon shall be executed on behalf of the Guarantor by, respectively, its Chairman of the Board, its Executive Vice Chairman of the Board, its President or one of its Executive Vice Presidents or Senior Vice Presidents under its corporate seal, reproduced thereon and attested by its Secretary or one of its Assistant Secretaries. The signature of any of these officers on the Securities or Guarantees may be manual or facsimile. Typographical and other minor errors or defects in any such reproduction of the seal or any such signature shall not affect the validity or enforceability of any Security that has been duly authenticated and delivered by the Trustee.

Securities and Guarantees bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Securities or did not hold such offices at the date of such Securities and Guarantees.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Securities of any series executed by the Company with Guarantees endorsed thereon executed by the Guarantor to the Trustee for authentication and the Trustee shall authenticate and deliver such Securities to or upon a Company Order and Officers' Certificate and an Opinion of Counsel without any further action by the Company or the



Guarantor (including, but not limited to, the Officers' Certificates and Opinions of Counsel required pursuant to Sections 1.02 and 3.01).

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

Notwithstanding the provisions of Section 3.01 and of the preceding paragraph, if all Securities of a series are not to be originally issued at one time, it shall not be necessary to deliver the Officers' Certificate otherwise required pursuant to Section 3.01 or the Company Order and Opinion of Counsel otherwise required pursuant to the second preceding paragraph above at or prior to the authentication of each Security of such series if such documents are delivered at or prior to the authentication upon original issuance of the first Security of such series to be issued and such documentation covers the entire aggregate principal amount of Securities of such series.

Each Security shall be dated the date of its authentication.

No Security or Guarantee endorsed thereon shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein executed by the Trustee by manual signature and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder. Notwithstanding the foregoing, if any Security shall have been authenticated and delivered hereunder but never issued and sold by the Company, and the Company shall deliver such Security to the Trustee for cancellation as provided in Section 3.09, for all purposes of this Indenture such Security shall be deemed never to have been authenticated and delivered hereunder and shall never be entitled to the benefits of this Indenture.

#### SECTION 3.04. TEMPORARY SECURITIES.

Pending the preparation of definitive Securities of any series, the Company may execute, and upon receipt of a Company Order (together with all applicable Officers' Certificates and Opinions of Counsel), the Trustee shall authenticate and deliver, temporary Securities which are printed, lithographed, typewritten, mimeographed or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Securities in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Securities may determine, as evidenced by their execution of such Securities.

If temporary Securities of any series are issued, the Company will cause definitive Securities of that series to be prepared without unreasonable delay. After the preparation of definitive Securities of such series, the temporary Securities of such series shall be exchangeable for definitive Securities of such series upon surrender of the temporary Securities of such series

at the office or agency of the Company in a Place of Payment for that series, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Securities of any series, the Company shall execute and the Trustee, upon receipt of a Company Order, shall authenticate and deliver in exchange therefor one or more definitive Securities of the same series, of any authorized denominations and of like tenor and aggregate principal amount. Until so exchanged, the temporary Securities of any series and the Guarantees endorsed thereon shall in all respects be entitled to the same benefits under this Indenture as definitive Securities of such series and tenor and the Guarantees endorsed thereon.

#### SECTION 3.05. REGISTRATION, REGISTRATION OF TRANSFER AND EXCHANGE.

The Company shall cause to be kept at the Corporate Trust Office of the Trustee a register (the register maintained in such office or in any other office or agency of the Company in a Place of Payment being herein sometimes referred to as the "Security Register") in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Securities and of transfers of Securities. The Trustee is hereby appointed "Security Registrar" for the purpose of registering Securities and transfers of Securities as herein provided.

Upon surrender for registration of transfer of any Security of a series at the office or agency of the Company in a Place of Payment for that series, the Company shall execute, and the Trustee, upon receipt of a Company Order, shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Securities of the same series (having guarantees duly endorsed thereon), of any authorized denominations and of like tenor and aggregate principal amount.

At the option of the Holder, Securities of any series may be exchanged for other Securities of the same series (having guarantees duly endorsed thereon), of any authorized denominations and of like tenor and aggregate principal amount, upon surrender of the Securities to be exchanged at such office or agency. Whenever any Securities are so surrendered for exchange, the Company shall execute, and the Trustee, upon receipt of a Company Order, shall authenticate and deliver, the Securities which the Holder making the exchange is entitled to receive and the Guarantor shall execute the Guarantees endorsed thereon.

All Securities and the Guarantees endorsed thereon issued upon any registration of transfer or exchange of Securities shall be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Securities surrendered upon such registration of transfer or exchange.

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

No service charge shall be made for any registration of transfer or exchange of Securities, but the Company may require payment of a sum sufficient to cover any tax or other

governmental charge that may be imposed in connection with any registration of transfer or exchange of Securities, other than exchanges pursuant to Section 3.04, 9.06, 11.07 or 14.02 not involving any transfer.

If the Securities of any series (or of any series and specified tenor) are to be redeemed, the Company shall not be required (A) to issue, register the transfer of or exchange any Securities of that series (or of that series and specified tenor, as the case may be) during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of any such Securities selected for redemption and ending at the close of business on the day of such mailing, or (B) to register the transfer of or exchange any Security so selected for redemption in whole or in part, except the unredeemed portion of any Security being redeemed in part.

The provisions of Clauses (1), (2), (3) and (4) below shall apply only to Global Securities:

(1) Each Global Security authenticated under this Indenture shall be registered in the name of the Depository designated for such Global Security or a nominee thereof and delivered to such Depository or a nominee thereof or custodian therefor, and each such Global Security shall constitute a single Security for all purposes of this Indenture.

(2) Notwithstanding any other provision in this Indenture, no Global Security may be exchanged in whole or in part for Securities registered, and no transfer of a Global Security in whole or in part may be registered, in the name of any Person other than the Depository for such Global Security or a nominee thereof unless (A) such Depository (i) has notified the Company that it is unwilling or unable to continue as Depository for such Global Security or (ii) has ceased to be a clearing agency registered under the Exchange Act, (B) there shall have occurred and be continuing an Event of Default with respect to such Global Security or (C) there shall exist such circumstances, if any, in addition to or in lieu of the foregoing as have been specified for this purpose as contemplated by Section 3.01.

(3) Subject to Clause (2) above, any exchange of a Global Security for other Securities may be made in whole or in part, and all Securities issued in exchange for a Global Security or any portion thereof shall be registered in such names as the Depository for such Global Security shall direct.

(4) Every Security authenticated and delivered upon registration of transfer of, or in exchange for or in lieu of, a Global Security or any portion thereof, whether pursuant to this Section, Section 3.04, 3.06, 9.06, 11.07 or 14.02 or otherwise, shall be authenticated and delivered in the form of, and shall be, a Global Security, unless such Security is registered in the name of a Person other than the Depository for such Global Security or a nominee thereof.

SECTION 3.06. MUTILATED, DESTROYED, LOST AND STOLEN SECURITIES.

If any mutilated Security is surrendered to the Trustee, the Company shall execute and the Trustee, upon receipt of a Company Order, shall authenticate and deliver in exchange therefor a new Security of the same series with a Guarantee duly endorsed thereon by the Guarantor, and of like tenor and principal amount and bearing a number not contemporaneously outstanding.

If there shall be delivered to the Company, the Guarantor and the Trustee (i) evidence to their satisfaction of the destruction, loss or theft of any Security and (ii) such security or indemnity as may be required by them to save each of them and any agent of either of them harmless, then, in the absence of notice to the Company, the Guarantor or the Trustee that such Security has been acquired by a bona fide purchaser, the Company shall execute and the Trustee, upon receipt of a Company Order, shall authenticate and deliver, in lieu of any such destroyed, lost or stolen Security, a new Security of the same series with a Guarantee duly endorsed thereon by the Guarantor, and of like tenor and principal amount and bearing a number not contemporaneously outstanding.

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

Upon the issuance of any new Security under this Section, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

Every new Security of any series issued pursuant to this Section in lieu of any destroyed, lost or stolen Security shall constitute an original additional contractual obligation of the Company guaranteed by the Guarantor, whether or not the destroyed, lost or stolen Security shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Securities of that series duly issued hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities.

SECTION 3.07. PAYMENT OF INTEREST; INTEREST RIGHTS PRESERVED.

Except as otherwise provided as contemplated by Section 3.01 with respect to any series of Securities, interest on any Security which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest. In the case of a Security issued between a record date and the initial Interest Payment Date relating to such record date, interest for the period beginning on the date of issue

and ending or such initial Interest Payment Date shall be paid to the person to whom such Security shall have been originally issued.

Any interest on any Security of any series which 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 Holder on the relevant Regular Record Date by virtue of having been such Holder, and such Defaulted Interest may 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 Securities of such series (or their respective Predecessor Securities) 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 Security of such series and the date of the proposed payment, and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit 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 Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company of such Special Record Date and, 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 given to each Holder of Securities of such series in the manner set forth in Section 1.06, not less than 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 Securities of such series (or their respective Predecessor Securities) are registered at the close of business on such Special Record Date and shall no longer be payable pursuant to the following Clause (2).

(2) The Company may make payment of any Defaulted Interest on the Securities of any series in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Securities may be listed, and upon such notice as may be required by such exchange, 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.

Subject to the foregoing provisions of this Section, each Security of any series delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Security of such series shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security.

In the case of any Security which is converted from the close of business on any Regular Record Date to the opening of business on the next succeeding Interest Payment Date (other than any Security whose Maturity is prior to such Interest Payment Date), interest whose Stated Maturity is on such Interest Payment Date shall be payable on such Interest Payment Date notwithstanding such conversion, and such interest (whether or not punctually paid or duly provided for) shall be paid to the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on such Regular Record Date. Except as otherwise expressly provided in the immediately preceding sentence, in the case of any Security which is converted, interest whose Stated Maturity is after the date of conversion of such Security shall not be payable.

#### SECTION 3.08. PERSONS DEEMED OWNERS.

Prior to due presentment of a Security for registration of transfer, the Company, the Guarantor, the Trustee and any agent of the Company, the Guarantor, or the Trustee may treat the Person in whose name such Security is registered as the owner of such Security for the purpose of receiving payment of principal of and any premium and (subject to Section 3.07) any interest on such Security and for all other purposes whatsoever, whether or not such Security be overdue, and neither the Company, the Guarantor, the Trustee nor any agent of the Company, the Guarantor, or the Trustee shall be affected by notice to the contrary.

#### SECTION 3.09. CANCELLATION.

All Securities surrendered for payment, redemption, conversion, registration of transfer or exchange or for credit against any sinking fund payment shall, if surrendered to any Person other than the Trustee, be delivered to the Trustee and shall be promptly cancelled by it. The Company or the Guarantor may at any time deliver to the Trustee for cancellation any Securities previously authenticated and delivered hereunder which the Company or the Guarantor may have acquired in any manner whatsoever, and may deliver to the Trustee (or to any other Person for delivery to the Trustee) for cancellation any Securities previously authenticated hereunder which the Company has not issued and sold, and all Securities so delivered shall be promptly cancelled by the Trustee. No Securities shall be authenticated in lieu of or in exchange for any Securities cancelled as provided in this Section, except as expressly permitted by this Indenture. All cancelled Securities held by the Trustee shall be destroyed and certification of their destruction delivered to the Company unless by a Company Order the Company shall direct that cancelled Securities be returned to it.

#### SECTION 3.10. COMPUTATION OF INTEREST.

Except as otherwise specified as contemplated by Section 3.01 for Securities of any series, interest on the Securities of each series shall be computed on the basis of a 360-day year of twelve 30-day months.

### SECTION 3.11. UNCONDITIONAL GUARANTEE.

The Guarantor hereby unconditionally guarantees to each Holder of a Security authenticated and delivered by the Trustee and to the Trustee, the due and punctual payment of the principal of, sinking fund payment, if any, premium, if any, and interest on such Security, net of any taxes required to be withheld, when and as the same shall become due and payable, whether by declaration thereof or otherwise, in accordance with the terms of such Security and of this Indenture. In case of default by the Company in the payment of any such principal, sinking fund payment, premium or interest, the Guarantor agrees duly and punctually to pay the same. The Guarantor hereby agrees that its obligations hereunder or under any Guarantee shall be absolute and unconditional irrespective of any invalidity, irregularity or unenforceability of any such Security, or this Indenture, any failure to enforce the provisions of any such Security or this Indenture, any waiver, modification or indulgence granted to the Company with respect thereto by the holder of such Security or the Trustee, or any other circumstances which may otherwise constitute a legal or equitable discharge of a surety or guarantor. The Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of merger or bankruptcy of the Company, any right to require a proceeding first against the Company, protest or notice with respect to any Security or the indebtedness evidenced thereby and all demands whatsoever, and covenants that its obligation hereunder or under any Guarantee will not be discharged as to any such Security, except by payment in full of the principal thereof and premium, if any, and interest thereon.

The Guarantor shall be subrogated to all rights of the holder of any Security against the Company in respect of any amounts paid by the Guarantor pursuant to the provisions of any Guarantee; provided, however, that the Guarantor shall not be entitled to enforce, or to receive any payments arising out of or based upon, such right of subrogation until the principal of and premium, if any, and interest then due on all Securities shall have been paid in full.

The Guarantee set forth in this Section shall not be valid or become obligatory for any purpose with respect to a Security until the certificate of authentication on such Security shall have been signed by the Trustee.

### SECTION 3.12. EXECUTION OF GUARANTEES.

To evidence its Guarantee to the Holders of Securities specified in Section 3.11, the Guarantor hereby agrees to execute the Guarantees, in such form as provided for in Section 2.04 above, to be endorsed on each security authenticated and delivered by the Trustee. Each such Guarantee shall be signed on behalf of the Guarantor as set forth in Section 3.03, prior to the authentication of the Security on which it is endorsed, and the delivery of such Security by the Trustee, after the authentication thereof hereunder, shall constitute due delivery of such Guarantee on behalf of the Guarantor.

ARTICLE FOUR

SATISFACTION AND DISCHARGE

SECTION 4.01. SATISFACTION AND DISCHARGE OF INDENTURE.

Except as otherwise provided for the Securities of any series established pursuant to Section 3.01(21), the Company and the Guarantor shall be deemed to have satisfied and discharged the entire indebtedness on all the Outstanding Securities of any particular series, and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of such indebtedness, when

(1) either

(A) all Outstanding Securities of such series theretofore authenticated and delivered (other than (i) any Securities of such series which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 3.06 and (ii) Outstanding Securities of such series 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 10.03) have been delivered to the Trustee for cancellation; or

(B) with respect to all Outstanding Securities of such series described in (A) above not theretofore delivered to the Trustee for cancellation

(i) have become due and payable, or

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

(iii) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company and the Guarantor, and the Company or the Guarantor, in the case of (i), (ii) or (iii) above, has deposited or caused to be deposited with the Trustee as trust funds in trust for the purpose money in an amount sufficient to pay and discharge the entire indebtedness on all such Outstanding Securities of such series not theretofore delivered to the Trustee for cancellation, for principal and any premium and interest to the date of such deposit (in the case of Securities which have become due and payable) or to the Stated Maturity or Redemption Date, as the case may be;

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

(3) the Company or the Guarantor 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 the entire indebtedness on all Outstanding Securities of any such series have been complied with.

Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Company and the Guarantor to the Trustee under Section 6.07, and, if money shall have been deposited with the Trustee pursuant to subclause (B) of Clause (1) of this Section, the obligations of the Trustee under Section 4.02 and the last paragraph of Section 10.03 shall survive.

#### SECTION 4.02. APPLICATION OF TRUST MONEY.

Subject to the provisions of the last paragraph of Section 10.03, all money deposited with the Trustee pursuant to Section 4.01 shall be held in trust and applied by it, in accordance with the provisions of the Securities and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal and any premium and interest for whose payment such money has been deposited with the Trustee. All moneys deposited with the Trustee pursuant to Section 4.01 (and held by it or any Paying Agent) for the payment of Securities subsequently converted shall be returned to the Company upon Company Request.

### ARTICLE FIVE

#### REMEDIES

##### SECTION 5.01. EVENTS OF DEFAULT.

“Event of Default”, wherever used herein with respect to Securities of any series, means any one of the following events (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) unless such event is either inapplicable to a particular series or is specifically deleted or modified in the applicable Board resolution or in the supplemental indenture under which such series of Securities is issued, as the case may be, as contemplated by Section 3.01:

- (1) default in the payment of any interest upon any Security of that series when it becomes due and payable, and continuance of such default for a period of 30 days; or
- (2) default in the payment of the principal (including any sinking fund payment or analogous obligation) or any premium on any Security of that series as and when the same shall become due and payable either at its Maturity, upon redemption, by declaration or otherwise; or
- (3) default in the performance, or breach, of any covenant or warranty of the Company or the Guarantor in respect of the Securities of such series (other than a covenant or warranty a default in the performance of which or the breach of which is

elsewhere in this Section specifically death with), and continuance of such default or breach for a period of 90 days after there has been given to the Company and the Guarantor by the Trustee, by registered or certified mail, or to the Company, the Guarantor and the Trustee by the Holders of at least 25% in principal amount of the Outstanding Securities of such series, a written notice specifying such default or breach and requiring it to be remedied;

(4) the entry of a decree or order by a court having jurisdiction in the premises for relief in respect of the Company, the Guarantor or any Principal Subsidiary Bank under Title 11 of the United States Code, as now constituted or as hereafter amended, or any other applicable Federal or State bankruptcy law or other similar law, or appointing a receiver, trustee or other similar official of the Company, the Guarantor or any Principal Subsidiary Bank or of any substantial part of its property, or ordering the winding-up or liquidation of its affairs and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days;

(5) the filing by the Company, the Guarantor or any Principal Subsidiary Bank of a petition or answer or consent seeking relief under Title 11 of the United States Code, as now constituted or as hereafter amended, or any other applicable Federal or State bankruptcy law or other similar law, or the consent by it to the institution of proceedings thereunder or to the filing of any such petition or to the appointment or taking possession of a receiver, trustee, custodian or other similar official of the Company, the Guarantor or any Principal Subsidiary Bank or of any substantial part of its property, or the Company, the Guarantor or any Principal Subsidiary Bank shall fail generally to pay its debts as such debts become due or shall take any corporate action in furtherance of any such action; or

(6) any other Event of Default provided in the supplemental indenture under which such series of Securities is issued or in the form of Security for such series.

#### SECTION 5.02. ACCELERATION OF MATURITY; RESCISSION AND ANNULMENT.

If an Event of Default with respect to any series of Securities occurs and is continuing, then in every such case the Trustee or the Holders of not less than 25% in aggregate principal amount of the Securities Outstanding of such series may declare the principal (or, if Securities of such series are Original Issue Discount Securities, such portion of the principal amount as may be specified in the terms of the Securities of such series) of all the Securities of such series to be due and payable immediately, by a notice in writing to the Company and the Guarantor (and to the Trustee if given by Holders of Securities), and upon any such declaration the same shall become immediately due and payable.

At any time after such a declaration of acceleration with respect to any series of Securities has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter in this Article provided, the Holders of a majority in

principal amount of the Outstanding Securities of such series, by written notice to the Company, the Guarantor and the Trustee, may rescind and annul such declaration and its consequences if

(1) the Company or the Guarantor has paid or deposited with the Trustee a sum sufficient to pay

(A) all overdue interest on all Securities of that series,

(B) the principal of (and premium, if any, on) any Securities of that series which have become due otherwise than by such declaration of acceleration and any interest thereon at the rate or rates prescribed therefor in such Securities,

(C) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate or rates prescribed therefor in such Securities, and

(D) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, except as a result of negligence or bad faith;

and

(2) all Events of Default with respect to Securities of such series, other than the nonpayment of the principal of Securities of such series which have become due solely by such declaration of acceleration, have been cured or waived as provided in Section 5.13.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

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

For all purposes under this Indenture, if a portion of the principal of any Original Issue Discount Securities shall have been accelerated and declared due and payable pursuant to the provisions hereof, then, from and after such declaration, unless such declaration has been rescinded and annulled, the principal amount of such Original Issue Discount Securities shall be deemed, for all purposes hereunder, to be such portion of the principal thereof as shall be due and payable as a result of such acceleration, and payment of such portion of the principal thereof as shall be due and payable as a result of such acceleration, together with interest, if any, thereon and all other amounts owing thereunder, shall constitute payment in full of such Original Issue Discount Securities.

SECTION 5.03. COLLECTION OF INDEBTEDNESS AND SUITS FOR ENFORCEMENT BY TRUSTEE.

The Company covenants that if

(1) default is made in the payment of any interest upon any Security of any series when such interest becomes due and payable and such default continues for a period of 30 days, or

(2) default is made in the payment of the principal of (including any sinking fund payment or analogous obligation) or premium, if any, on any Security of any series, whether upon Maturity or upon any redemption or by declaration or otherwise,

the Company will, upon demand of the Trustee, pay to it, for the benefit of the Holders of Securities of such series, the whole amount then due and payable on Securities of such series for principal, premium, if any, and interest, with interest upon the overdue principal and premium, if any, and to the extent that payment of such interest is lawful, upon overdue installments of interest, at the rate or rates prescribed therefor by the terms of the Securities of such series; and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

If the Company fails 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, and may prosecute such proceeding to judgment or final decree, and may enforce the same against the Company, the Guarantor or any other obligor upon such Securities and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company, the Guarantor or any other obligor upon such Securities, wherever situated.

If an Event of Default with respect to any series of Securities occurs and is continuing, the Trustee may in its discretion proceed to protect and enforce the rights vested in it by this Indenture by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

SECTION 5.04 TRUSTEE MAY FILE PROOF OF CLAIM.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company, the Guarantor or any other obligor upon the Securities or the property of the Company, the Guarantor or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of any Securities 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 on

the Company or the Guarantor for payment of overdue principal, premium or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(i) to file and prove a claim for the whole amount of principal, premium, if any, and interest owing and unpaid in respect of any Securities and to file such other papers or documents as may be necessary or advisable in order to have the claim of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and of the Holders of Securities of any series allowed in such judicial proceeding, and

(ii) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any receiver, assignee, trustee, liquidator, sequestrator (or other similar official) in any such judicial proceeding is hereby authorized by each Holder of Securities to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Security Holders, to pay to the Trustee any amount due to it for the reasonable compensation expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 6.07. To the extent that such payment of reasonable compensation, expenses, disbursements, advances and other amounts 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, moneys, securities and other property which the Holders of the Securities 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 Holder of Securities any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder of Securities in any such proceeding.

#### SECTION 5.05. TRUSTEE MAY ENFORCE CLAIMS WITHOUT POSSESSION OF SECURITIES.

All rights of action and claims under this Indenture or under the Securities of any series may be prosecuted and enforced by the Trustee without the possession of any of the Securities of such series or the production thereof in any proceeding thereto, and any such 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 Securities in respect of which such judgment has been recovered.

In any proceedings brought by the Trustee (and also any proceedings involving the interpretation of any provision of this Indenture to which the Trustee shall be a party) the Trustee shall be held to represent all the Holders of the Securities in respect of which such action was

taken, and it shall not be necessary to make any Holders of such Securities parties to any such proceedings.

SECTION 5.06. APPLICATION OF MONEY COLLECTED.

Any money collected by the Trustee pursuant to this Article with respect to a series of Securities (other than sums held in trust for the benefit of Holders of particular Securities) shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal or any premium or interest, upon presentation (except in respect of subdivision FIRST below) of the Securities of such series and the notation thereon of 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 6.07.

SECOND: To the payment of the amounts then due and unpaid for principal of and any premium and interest on the Securities of such Series in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Securities of such Series for principal and any premium and interest, respectively.

THIRD: The balance, if any, to the Person or Persons legally entitled thereto, or as a court of competent jurisdiction may direct.

SECTION 5.07. LIMITATION ON SUITS.

No Holder of any Security of any series shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless

- (1) such Holder has previously given written notice to the Trustee of a continuing Event of Default with respect to the Securities of such series;
- (2) the Holders of not less than 25% in principal amount of the Outstanding Securities of such series shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;
- (3) such Holder or Holders have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;
- (4) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and
- (5) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of a majority in principal amount of the Outstanding Securities of such series;

it being understood and intended that no one or more of such Holders 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 Holders of Securities of such Series, or to obtain or to seek to obtain priority or preference over any other of such Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all of such Holders of Securities of such Series.

SECTION 5.08. UNCONDITIONAL RIGHT OF HOLDERS TO RECEIVE PRINCIPAL, PREMIUM, INTEREST AND TO CONVERT.

Notwithstanding any other provision in this Indenture, the Holder of any Security shall have the right, which is absolute and unconditional, to receive payment of the principal of and any premium and (subject to Section 3.07) interest on such Security on the respective Stated Maturities expressed in such Security (or, in the case of redemption, on the Redemption Date) at the respective places, at the respective times and to convert such Security in accordance herewith and to institute suit for the enforcement of any such payment and right to convert, and such rights shall not be impaired without the consent of such Holder.

SECTION 5.09. RESTORATION OF RIGHTS AND REMEDIES.

If the Trustee or any Holder of any Security has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder of any Security, then and in every such case, the Company, the Guarantor, the Trustee and the Holders of any Securities shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.

SECTION 5.10. RIGHTS AND REMEDIES CUMULATIVE.

No right or remedy herein conferred upon or reserved to the Trustee or to the Holders of any Securities is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 5.11. DELAY OR OMISSION NOT WAIVER.

No delay or omission of the Trustee or of any Holder of any Securities to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders of any Securities may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

#### SECTION 5.12. CONTROL BY HOLDERS.

The Holders of a majority in principal amount of the Outstanding Securities of any series 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 under this Indenture, with respect to the Securities of such series, provided that

- (1) such direction shall not be in conflict with any statute or rule of law or with this Indenture,
- (2) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and
- (3) the Trustee shall have the right to decline to follow any such direction if the Trustee in good faith shall, by a Responsible Officer or Officers of the Trustee, determine that the proceedings so directed would expose the Trustee to personal liability or would be unduly prejudicial to the Holders of Securities of that series not joining in such direction.

#### SECTION 5.13. WAIVER OF PAST DEFAULTS.

The Holders of not less than a majority in principal amount of the Outstanding Securities of any series may on behalf of the Holders of all the Securities of such series waive any past default hereunder with respect to such series and its consequences, except a default

- (1) in the payment of the principal of or any premium or interest on any Security of such series, or in the payment of any sinking fund installment or analogous obligation with respect to Securities of such series, or
- (2) in respect of a covenant or provision hereof which under Article Nine cannot be modified or amended without the consent of the Holder of each Outstanding Security of such series affected.

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

#### SECTION 5.14. UNDERTAKING FOR COSTS.

All parties to this Indenture agree, and each Holder of any Security by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit,



having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Trustee, to any suit instituted by any Holder of any Security, or group of Holders of any Security, holding in the aggregate more than 10% in principal amount of the Outstanding Securities of any series, or to any suit instituted by any Holder of Securities for the enforcement of the payment of the principal of, premium, if any, or interest of any Security on or after the respective Stated Maturities expressed in such Security (or, in the case of redemption, on or after the Redemption Date).

#### SECTION 5.15. WAIVER OF USURY, STAY OR EXTENSION LAWS.

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

### ARTICLE SIX

#### THE TRUSTEE

#### SECTION 6.01. CERTAIN DUTIES AND RESPONSIBILITIES.

The duties and responsibilities of the Trustee shall be as provided by the Trust Indenture Act. Notwithstanding the foregoing, no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it. Whether or not therein expressly so 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.

#### SECTION 6.02. NOTICE OF DEFAULTS.

Within 90 days after the occurrence of any default hereunder with respect to any series of Securities, the Trustee shall transmit in the manner and to the extent provided in Section 313(c) of the Trust Indenture Act, notice of such default hereunder known to the Trustee, unless such default shall have been cured or waived; provided, however, that, except in the case of a default in the payment of the principal of or premium, if any, or interest on any Security of such series, or in the payment of any sinking fund installment or analogous obligation with respect to the Securities of such series, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors and/or Responsible Officers of the Trustee in good faith determine that the withholding of such notice is

in the interests of the Holders of Securities of such series; and provided, further, that in the case of any default of the character specified in Section 5.01(3) no such notice to Holders of Securities of such series shall be given until at least 60 days after the occurrence thereof. For the purpose of this Section, the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default.

#### SECTION 6.03. CERTAIN RIGHTS OF TRUSTEE.

Except as otherwise provided in Section 6.01:

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

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

(3) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officers' Certificate and an Opinion of Counsel;

(4) the Trustee may consult with counsel of its selection and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in the absence of bad faith and in reliance thereon;

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

(6) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its 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;

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

(8) the Trustee shall not be liable for any action taken, suffered or omitted to be taken by it in the absence of bad faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture.

#### SECTION 6.04. NOT RESPONSIBLE FOR RECITALS OR ISSUANCE OF SECURITIES.

The recitals contained herein and in the Securities and Guarantees, except the Trustee's certificates of authentication, shall be taken as the statements of the Company or the Guarantor, as the case may be, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities or the Guarantees. The Trustee shall not be accountable for the use or application by the Company or the Guarantor of Securities or the proceeds thereof.

#### SECTION 6.05. MAY HOLD SECURITIES.

The Trustee, any Paying Agent, any Security Registrar or any other agent of the Company or the Guarantor, in its individual or any other capacity, may become the owner or pledgee of Securities and, subject to Sections 6.08 and 6.13, may otherwise deal with the Company with the same rights it would have if it were not Trustee, Paying Agent, Security Registrar or such other agent.

#### SECTION 6.06. MONEY HELD IN TRUST.

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 otherwise agreed in writing with the Company or the Guarantor.

#### SECTION 6.07. COMPENSATION AND REIMBURSEMENT.

The Company and the Guarantor jointly and severally agree

(1) to pay to the Trustee from time to time such compensation as shall be agreed to in writing between the Company and the Trustee for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(2) except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or

made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith; and

(3) to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with its execution and administration of this agreement and the acceptance and administration of the trust or trusts hereunder, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

As security for the performance of the obligations of the Company and the Guarantor under this Section, the Trustee shall have a lien prior to the Securities and Guarantees upon all property and funds held or collected by the Trustee as such, except with respect to funds held in trust for the payment of principal of (and premium, if any) or interest or particular Securities.

The provisions of this Section shall survive the resignation or removal of the Trustee and the termination of this Indenture.

#### SECTION 6.08. CONFLICTING INTERESTS.

If the Trustee has or shall acquire a conflicting interest within the meaning of the Trust Indenture Act, the Trustee shall either eliminate such interest or resign, but only to the extent and in the manner provided by, and subject to the provisions of, the Trust Indenture Act and this Indenture. To the extent permitted by such Act, the Trustee shall not be deemed to have a conflicting interest by virtue of being a trustee under this Indenture with respect to Securities of more than one series. There shall be excluded from the terms of Section 310(b) of the Trust Indenture Act, the Indenture, dated as of December 1, 1991, as supplemented, pursuant to which the Company's following series of senior debt were issued and outstanding:

- \$700,000,000 5.75% Senior Notes due 2006
- \$400,000,000 5.75% Senior Notes due 2006
- \$350,000,000 4.20% Senior Notes due 2008
- \$350,000,000 4.50% Senior Notes due 2010.

#### SECTION 6.09. CORPORATE TRUSTEE REQUIRED; ELIGIBILITY.

There shall at all times be one (and only one) Trustee hereunder with respect to the Securities of each series, which may be Trustee hereunder for Securities of one or more other series. Each Trustee 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. Neither the Company, the Guarantor, nor any person directly or indirectly controlling, controlled by or under common control with the Company or the Guarantor shall serve as the trustee for Securities of any series issued hereunder. If any such Person publishes reports of condition at least annually, pursuant to law or to the requirements of its supervising or examining authority, then for the purposes of this

Section and to the extent permitted by the Trust Indenture Act, 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 with respect to the Securities of any series 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 6.10. RESIGNATION AND REMOVAL; APPOINTMENT OF SUCCESSOR.

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee in accordance with the applicable requirements of Section 6.11.

(b) The Trustee may resign at any time with respect to the Securities of one or more series by giving written notice thereof to the Company and the Guarantor. If the instrument of acceptance by a successor Trustee required by Section 6.11 shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

(c) The Trustee may be removed at any time with respect to the Securities of any series by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series, delivered to the Trustee and to the Company and the Guarantor.

(d) If at any time:

(1) the Trustee shall fail to comply with Section 6.08 after written request therefor by the Company or the Guarantor or by any Holder who has been a bona fide Holder of a Security for at least six months, or

(2) the Trustee shall cease to be eligible under Section 6.09 and shall fail to resign after written request therefor by the Company or the Guarantor or by any such Holder, or

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

then, in any such case, (A) the Company or the Guarantor by a Board Resolution may remove the Trustee with respect to all Securities, or (B) subject to Section 5.14, any Holder who has been a bona fide Holder of a Security for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee with respect to all Securities and the appointment of a successor Trustee or Trustees.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, with respect to the Securities of one or

more series, the Company or the Guarantor, by a Board Resolution, shall promptly appoint a successor Trustee or Trustees with respect to the Securities of that or those series (it being understood that any such successor Trustee may be appointed with respect to the Securities of one or more or all of such series and that at any time there shall be only one Trustee with respect to the Securities of any particular series) and shall comply with the applicable requirements of Section 6.11. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee with respect to the Securities of any series shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series delivered to the Company or the Guarantor and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment in accordance with the applicable requirements of Section 6.11, become the successor Trustee with respect to the Securities of such series and to that extent supersede the successor Trustee appointed by the Company or the Guarantor. If no successor Trustee with respect to the Securities of any series shall have been so appointed by the Company or the Guarantor or the Holders and accepted appointment in the manner required by Section 6.11, any Holder who has been a bona fide Holder of a Security of such series for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

(f) The Company or the Guarantor shall give notice of each resignation and each removal of the Trustee with respect to the Securities of any series and each appointment of a successor Trustee with respect to the Securities of any series to all Holders of Securities of such series in the manner provided in Section 1.06. Each notice shall include the name of the successor Trustee with respect to the Securities of such series and the address of its Corporate Trust Office.

#### SECTION 6.11. ACCEPTANCE OF APPOINTMENT BY SUCCESSOR.

Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Company, the Guarantor and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective with respect to all series as to which it is thereby resigning as Trustee and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the resigning Trustee with respect to all or any such series; but, on request of the Company, the Guarantor or such successor Trustee, such resigning Trustee shall, upon payment of its outstanding charges and expenses, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee with respect to all or any such series, and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder with respect to all or any such series, subject nevertheless to its lien, if any, provided for in Section 6.07. Upon request of any such successor Trustee, the Company and the Guarantor shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts.

In case of the appointment hereunder of a successor Trustee with respect to the Securities of one or more (but not all) series, the Company, the Guarantor, the retiring Trustee and each

successor Trustee with respect to the Securities of any applicable series may execute and deliver an indenture supplemental hereto containing such provisions as shall be deemed necessary or desirable to confirm that all rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of any series as to which the retiring Trustee is not retiring shall continue to be vested in the retiring Trustee, and adding to or changing any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, it being understood that nothing herein or in any such supplemental indenture shall constitute such Trustees co-trustees of the same trust and that each such Trustee shall be Trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Trustee.

No successor Trustee with respect to any series of Securities shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible with respect to such series under this Article.

SECTION 6.12. MERGER, CONVERSION, CONSOLIDATION OR SUCCESSION TO BUSINESS.

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Securities shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Securities so authenticated with the same effect as if such successor Trustee had itself authenticated such Securities.

SECTION 6.13. PREFERENTIAL COLLECTION OF CLAIMS AGAINST COMPANY AND GUARANTOR.

The Trustee shall comply with the requirements of Section 311 of the Trust Indenture Act and any rules promulgated by the Commission thereunder.

ARTICLE SEVEN

HOLDERS' LISTS AND REPORTS BY TRUSTEE AND COMPANY

SECTION 7.01. COMPANY TO FURNISH TRUSTEE NAMES AND ADDRESSES OF HOLDERS.

In accordance with Section 312(a) of the Trust Indenture Act, the Company or the Guarantor will furnish or cause to be furnished to the Trustee

(1) semi-annually and not more than ten days after each Regular Record Date for a series, a list, in such form as the Trustee may reasonably require, of the names and addresses of the Holders of Securities of each series as of such Regular Record Date, and

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

provided, however, no such list need be furnished if the Trustee shall also be the Security Registrar.

#### SECTION 7.02. PRESERVATION OF INFORMATION; COMMUNICATIONS TO HOLDERS.

The Trustee shall comply with the obligations imposed upon it pursuant to Section 312 of the Trust Indenture Act, subject to the exculpation from liability contained in Section 312(c) of such Act.

#### SECTION 7.03. REPORTS BY TRUSTEE.

The Trustee shall comply with the provisions of Section 313 of the Trust Indenture Act.

#### SECTION 7.04. REPORTS BY COMPANY AND GUARANTOR.

The Company or the Guarantor shall comply with the provisions of Section 314 (a)(1), 314(a)(2) and 314(a)(3) of the Trust Indenture Act.

### ARTICLE EIGHT

#### CONSOLIDATION, MERGER, CONVEYANCE, TRANSFER OR LEASE

##### SECTION 8.01. COMPANY MAY CONSOLIDATE, ETC., ONLY ON CERTAIN TERMS.

The Company shall not consolidate with or merge into any other Person or convey or transfer its properties and assets substantially as an entirety to any Person, unless:

(1) the Person formed by such consolidation or into which the Company is merged or the Person which acquires by conveyance or transfer, or which leases, the properties and assets of the Company substantially as an entirety shall be a Person organized and validly existing under the laws of the United States of America, any State thereof or the District of Columbia and shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, the due and punctual payment of the principal of and any premium and interest



on all the Securities and the performance or observance of every covenant of this Indenture on the part of the Company to be performed or observed and shall have provided for conversion rights in accordance with Article Fourteen;

(2) immediately after giving effect to such transaction no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have happened and be continuing;

(3) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, conveyance or transfer and such supplemental indenture comply with this Article and that all conditions precedent herein provided for relating to such transaction have been complied with; and

(4) the Guarantor has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that the Guarantees remain in full force and effect.

#### SECTION 8.02. SUCCESSOR SUBSTITUTED.

Upon any consolidation of the Company with, or merger of the Company into, any other Person or any conveyance or transfer of the properties and assets of the Company substantially as an entirety in accordance with Section 8.01, the successor Person formed by such consolidation or into which the Company is merged or to which such conveyance or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor Person had been named as the Company herein, and thereafter, the predecessor Person shall be relieved of all obligations and covenants under this Indenture and the Securities. In the event of any such conveyance or transfer, the Person named as the "Company" or any successor which shall theretofore have become such in the manner prescribed in this Article may be dissolved, wound-up and liquidated at any time thereafter, and such Person thereafter shall be released from its obligations under this Indenture.

#### SECTION 8.03 GUARANTOR MAY CONSOLIDATE, ETC., ONLY ON CERTAIN TERMS.

The Guarantor shall not consolidate with or merge into any other Person or convey or transfer its properties and assets substantially as an entirety to any Person, unless:

(1) the Person formed by such consolidation or into which the Guarantor is merged or the Person which acquires by conveyance or transfer the properties and assets of the Guarantor substantially as an entirety shall be a Person organized and existing under the laws of the United States of America or any State or the District of Columbia, and shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, the due and punctual performance of the obligations of the Guarantor and the performance of every covenant of this Indenture on the part of the Guarantor to be performed or observed;

(2) immediately after giving effect to such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have happened and be continuing; and

(3) the Guarantor shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel each stating that such consolidation, merger, conveyance or transfer and such supplemental indenture comply with this Article and that all conditions precedent herein provided for relating to such transaction have been complied with.

#### SECTION 8.04. SUCCESSOR PERSON SUBSTITUTED FOR GUARANTOR

Upon any consolidation or merger, or any conveyance or transfer of the properties and assets of the Guarantor substantially as an entirety in accordance with Section 8.03, the successor Person formed by such consolidation or into which the Guarantor is merged or to which such conveyance or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, the Guarantor under this Indenture with the same effect as if such successor Person had been named as the Guarantor herein.

In the event of any such conveyance or transfer, the Person named as the Guarantor in the first paragraph of this instrument or any successor which shall theretofore have become such in the manner prescribed in this Article may be dissolved, wound-up and liquidated at any time thereafter, and such Person thereafter shall be released from its liabilities as Guarantor and from its obligations under this Indenture.

#### SECTION 8.05. COMPANY MAY CONSOLIDATE ETC. WITH GUARANTOR, ONLY ON CERTAIN TERMS.

The Company shall not consolidate with or merge into the Guarantor or convey or transfer its properties and assets substantially as an entirety to the Guarantor, unless:

(1) the Guarantor shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, the due and punctual performance of the obligations of the Company and the performance of every covenant of this Indenture on the part of the Company to be performed or observed;

(2) immediately after giving effect to such transaction, no Event of Default and no event which, after notice or lapse of time or both, would become an Event of Default, shall have happened and be continuing; and

(3) the Guarantor shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel each stating that such consolidation, merger, conveyance or transfer and such supplemental indenture comply with this Article and that all conditions precedent herein provided for relating to such transaction have been complied with.

ARTICLE NINE

SUPPLEMENTAL INDENTURES

SECTION 9.01. SUPPLEMENTAL INDENTURES WITHOUT CONSENT OF HOLDERS.

Without the consent of any Holders, the Company and the Guarantor, when authorized by a Board Resolution, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

(1) to evidence the succession of another Person to the Company and the Guarantor and the assumption by any such successor of the covenants and obligations of the Company or the Guarantor herein and in the Securities or the Guarantees; or

(2) to add to the covenants of the Company or the Guarantor for the benefit of the Holders of all or any series of Securities (and if such covenants are to be for the benefit of less than all series of Securities, stating that such covenants are expressly being included solely for the benefit of such series) or to surrender any right or power herein conferred upon the Company or the Guarantor; provided that such action shall not adversely affect the interests of the Holders of the Securities of any series then Outstanding; or

(3) to add to or change any of the provisions of this Indenture to such extent as shall be necessary to permit or facilitate the issuance of Securities in bearer form, registrable or not registrable as to principal, and with or without interest coupons, or to permit or facilitate the issuance of Securities in uncertificated form; or

(4) to secure the Securities in accordance with the provisions of Section 10.08; or

(5) to establish the form or terms of Securities of any series as permitted by Sections 2.01 and 3.01; or

(6) to evidence and provide for the acceptance of appointment hereunder by a successor Trustee with respect to the Securities of one or more series and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, pursuant to the requirements of Section 6.11; or

(7) to cure any ambiguity, to correct or supplement any provision herein which may be defective or inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Indenture, provided that such other provisions shall not adversely affect the interests of the Holders of Securities of any series then Outstanding in any material respect; or

(8) to make provision with respect to conversion rights of Holders pursuant to the requirements of Article Fourteen.

The Trustee with respect to any series of Securities affected by such supplemental indenture is hereby authorized to join with the Company and the Guarantor in the execution of any such supplemental indenture, to make any further appropriate agreements and stipulations which may be therein contained and to accept the conveyance, transfer, assignment, mortgage or pledge of any property thereunder, but the Trustee shall not be obligated to enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

#### SECTION 9.02. SUPPLEMENTAL INDENTURES WITH CONSENT OF HOLDERS.

With the consent of the Holders of not less than a majority in principal amount of the Outstanding Securities of all series (voting as one class) affected by such supplemental indenture, by Act of said Holders delivered to the Company, the Guarantor and the Trustee, the Company and the Guarantor, when authorized by a Board Resolution, and the Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders of Securities of each such series under this Indenture; provided, however, that no such supplemental indenture shall, without the consent of the Holder of each Outstanding Security affected thereby,

(1) change the Stated Maturity of the principal of, or any installment of principal of or interest on, any Security, or reduce the principal amount thereof or the rate of interest thereon or any premium payable upon the redemption thereof, or reduce the amount of the principal of an Original Issue Discount Security or any other Security which would be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 5.02, or change any Place of Payment where, or the coin or currency in which, any Security or any premium or interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date), or adversely affect the right to convert any Security as provided in this Indenture (except as permitted herein), or

(2) reduce the percentage in principal amount of the Outstanding Securities of any series, the consent of whose Holders is required for any such supplemental indenture, or the consent of whose Holders is required for any waiver (of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences) provided for in this Indenture, or

(3) modify any of the provisions of this Section, Section 5.13 or Section 10.09, except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Outstanding Security affected thereby; or

(4) modify or affect in any manner adverse to the Holders of the Securities the terms and conditions of the obligation of the Guarantor in respect of the due and punctual payment of the principal of or premium or interest on the Securities.

A supplemental indenture which changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of one or more particular series of Securities, or which modifies the rights of the Holders of Securities of such series with respect to such covenant or other provision, shall be deemed not to affect the rights under this Indenture of the Holders of Securities of any other series.

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

#### SECTION 9.03. EXECUTION OF SUPPLEMENTAL INDENTURES.

In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modifications thereby of the trusts created by this Indenture, the Trustee shall receive, and (subject to Section 6.01) shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

#### SECTION 9.04. EFFECT OF SUPPLEMENTAL INDENTURES.

Upon the execution of any supplemental indenture pursuant to the provisions of this Article Nine, this Indenture shall be deemed to be modified and amended in accordance therewith, but only with regard to the Securities of each series affected by such supplemental indenture, and the respective rights, limitations of rights, obligations, duties and immunities under this Indenture of the Trustee for the Securities of such series, the Company, the Guarantor and the Holders of any Securities of such series affected thereby 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 with regard to the Securities of such series.

#### SECTION 9.05. CONFORMITY WITH TRUST INDENTURE ACT.

Every supplemental indenture executed pursuant to this Article shall conform to the requirements of the Trust Indenture Act.

#### SECTION 9.06. REFERENCE IN SECURITIES TO SUPPLEMENTAL INDENTURES.

Securities of any series authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and shall if required by the Trustee, bear a

notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company or the Guarantor shall so determine, new Securities of any series so modified as to conform, in the opinion of the Trustee and the Company and the Guarantor, to any such supplemental indenture may be prepared and executed by the Company, with the duly executed Guarantees endorsed thereon, and authenticated and delivered by the Trustee in exchange for Outstanding Securities of such series.

## ARTICLE TEN

### COVENANTS

#### SECTION 10.01. PAYMENT OF PRINCIPAL, PREMIUM AND INTEREST.

The Company covenants and agrees for the benefit of each series of Securities that it will duly and punctually pay the principal of and any premium and interest on the Securities of that series in accordance with the terms of the Securities and this Indenture, net of any taxes required to be withheld, and will duly comply with all the other terms, agreements and conditions contained in, or made in this Indenture for the benefit of, the Securities of such series. Each installment of interest on the Securities of any series may be paid by mailing checks for such interest payable to or upon the written order of the Holders of Securities entitled thereto as they shall appear on the registry books of the Company

#### SECTION 10.02. MAINTENANCE OF OFFICE OR AGENCY.

The Company and the Guarantor will maintain in each Place of Payment for any series of Securities an office or agency where Securities of that series may be presented or surrendered for payment, where Securities of that series may be surrendered for registration of transfer or exchange, and where Securities may be surrendered for conversion and an agency where notices and demands to or upon the Company and the Guarantor in respect of the Securities of that series, the Guarantees and this Indenture may be served. With respect to a Place of Payment that is in the same location as the Corporate Trust Office, the Company and the Guarantor hereby each appoint the Corporate Trust Office of the Trustee as its initial office or agency for the purpose of this Section 10.02. The Company and the Guarantor will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee, and the Company hereby appoints the Trustee as its agent to receive all such presentations, surrenders, notices and demands.

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

SECTION 10.03. MONEY FOR SECURITIES PAYMENTS TO BE HELD IN TRUST.

If the Company shall at any time act as its own Paying Agent for any series of Securities, it will, on or before each due date of the principal of, premium, if any, or interest on any of the Securities of such series, set aside, segregate and hold in trust for the benefit of the Persons entitled thereto a sum sufficient to pay the principal, premium or interest so becoming due until such sums shall be paid to such Persons or otherwise disposed of as herein provided, and will promptly notify the Trustee of its action or failure so to act.

Whenever the Company shall have one or more Paying Agents for any series of Securities, it will, prior to each due date of the principal of, premium, if any, or interest on any Securities of such series deposit, subject to Section 12.03, with a Paying Agent a sum sufficient to pay the principal, premium or interest so becoming due, such sum to be held in trust for the benefit of the Persons entitled to such principal, premium or interest, and (unless such Paying Agent is the Trustee) the Company will promptly notify the Trustee of its action or failure so to act.

The Company will cause each Paying Agent for any series of Securities, other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee and the Company, subject to the provisions of this Section, that such Paying Agent will:

- (1) hold all sums held by it for the payment of principal of or premium, if any, or any interest on Securities of such series in trust for the benefit of the Persons entitled thereto until such sums shall be paid to said Persons or otherwise disposed of as herein provided;
- (2) give the Trustee notice of any default by the Company or the Guarantor (or any other obligor upon the Securities of such series) in the making of any payment of principal of, premium or interest on the Securities of such series and
- (3) at any time during the continuance of any such default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent.

The Company may at any time for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Company Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the company or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Company or such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such sums.

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 premium, if any, or interest on any Security of any series and remaining unclaimed for 2 years after such principal or interest has

become due and payable shall be paid to the Company on Company Request, or (if then held by the Company) shall be discharged from such trust; and the Holder of such Security shall thereafter, as an unsecured general creditor, look only to the Company and the Guarantor 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 an Authorized Newspaper in the Place of Payment, 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. The Trustee may also adopt and employ, at the expense of the Company, any other reasonable means of notification of such proposed repayment (including, but not limited to, mailing notice of such proposed repayment to Holders whose names appear on the Security Register and whose holdings of Securities have not yet been surrendered for redemption or whose right to interest moneys due and payable but not claimed is determinable from the records of any Paying Agent or the Trustee, at the last address of record for each such Holder).

SECTION 10.04. CERTIFICATION OF COMPLIANCE OF THE COMPANY AND THE GUARANTOR.

Each of the Company and the Guarantor will promptly (and in any event within 3 Business Days) notify the Trustee, upon obtaining knowledge of any default under this Indenture and shall comply with the provisions of Section 314(a)(4) of the Trust Indenture Act. For purposes of the definition of Business Day in this Section, the Place of Payment shall be deemed the Corporate Trust Office.

SECTION 10.05. EXISTENCE.

Subject to Article Eight, the Company and the Guarantor will do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights (charter and statutory) and franchises; and the corporate existence, rights (charter and statutory) and franchises of all Subsidiaries other than the Company; provided, however, that the Company and the Guarantor shall not be required to, or to cause any such Subsidiary to, preserve any such right or franchise or to keep in full force and effect the corporate existence of any such Subsidiary if the Company (in the case of the Company) or the Guarantor (in all other cases) shall determine that the keeping in existence or preservation thereof is no longer desirable in the conduct of the business of the Company or the Guarantor, as the case may be, and that the loss thereof is not disadvantageous in any material respect to the Holders.

SECTION 10.06. LIMITATION ON SALE OR ISSUANCE OF VOTING SHARES OF PRINCIPAL SUBSIDIARY BANKS.

The Guarantor will not (a) permit the issue, sale or other disposition of any Voting Shares, or securities convertible into, or options, warrants or rights to subscribe for or purchase Voting Shares, of any Principal Subsidiary Bank, (b) permit the merger or consolidation of any Principal Subsidiary Bank with or into any other corporation, or (c) permit the sale or other



disposition of all or substantially all of the assets of any Principal Subsidiary Bank, if, after giving effect to any such transaction (specified in clause (a), (b) or (c) above) and the issuance of the maximum number of Voting Shares issuable upon the conversion or exercise of all such convertible securities, options, warrants or rights, the Guarantor would own, directly or indirectly, less than 80% of the Voting Shares of such Principal Subsidiary Bank (and of any other Principal Subsidiary Bank any Voting Shares of which are owned, directly or indirectly, by such Principal Subsidiary Bank); provided, however, that the foregoing shall not prohibit any such issuance, sale or disposition of shares or securities, any such merger or consolidation or any such sale or disposition of assets if:

(i) required by any law or any regulation or order of any governmental authority;

(ii) required as a condition imposed by any law or any regulation or order of any governmental authority to the acquisition by the Guarantor, directly or indirectly, of any other corporation or entity, if thereafter, (x) the Guarantor would own, directly or indirectly, at least 80% of the Voting Shares of such other corporation or entity, and (y) the Consolidated Banking Assets of the Guarantor would be at least equal to the Consolidated Banking Assets of the Guarantor prior thereto, and (z) by a Board Resolution, such other corporation or entity shall have been designated a Principal Subsidiary Bank for all purposes or this Indenture;

(iii) upon consummation of such transaction, the Guarantor owns, directly or indirectly, not less than the percentage of Voting Shares of such Principal Subsidiary Bank (and of any other Principal Subsidiary Bank any Voting Shares of which are owned, directly or indirectly, by such Principal Subsidiary Bank) it owned prior to such transaction; or

(iv) the proceeds of any such issuance, sale or other disposition are invested within 180 days after such issuance sale or other disposition in any one or more Subsidiary Banks (including any previously existing Subsidiary Bank or any other corporation which upon such investment becomes a Subsidiary Bank), or if within 180 days after such issuance, sale or other disposition the Guarantor has entered into an agreement to invest such proceeds in any one or more Subsidiary Banks (including any previously existing Subsidiary Bank or any other corporation which upon such investment would become a Subsidiary Bank), but such investment has not been made because all regulatory or other approvals have not been obtained but are in the process of being obtained, and if, in each case, the consolidated assets of the Subsidiary Bank(s) acquired or to be acquired or invested in (including any one or more corporations which upon such investment would become Subsidiary Banks) would be at least equal to 80% of the consolidated assets of the Principal Subsidiary Bank being disposed of; provided, however, that if the Guarantor makes a subsequent acquisition as described in this paragraph using its common stock and preferred stock, with a fair market value at least equal to the proceeds of any sale, assignment, transfer or disposition of a Principal Subsidiary Bank, it will not also be required to invest the proceeds of any sale assignment, transfer or disposition as otherwise required by this paragraph; provided,

further, that the Guarantor will, for the purpose of satisfying this covenant, only issue preferred shares in a subsequent acquisition in an amount needed to replace any preferred stock of the acquired company;

provided, however, that nothing herein shall be deemed to restrict or prohibit the merger of a Principal Subsidiary Bank with and into a Principal Subsidiary Bank or the Guarantor, the consolidation of Principal Subsidiary Banks into a Principal Subsidiary Bank or the Guarantor, or the sale or other disposition or all or substantially all of the assets of any Principal Subsidiary Bank to another Principal Subsidiary Bank or the Guarantor, if, in any such case in which the surviving, resulting or acquiring entity is not the Guarantor, the Guarantor would own, directly or indirectly, at least 80% of the Voting Shares of the Principal Subsidiary Bank (and of any other Principal Subsidiary Bank any Voting Shares of which are owned, directly or indirectly, by such Principal Subsidiary Bank) surviving such merger, resulting from such consolidation or acquiring such assets.

#### SECTION 10.07 OWNERSHIP OF THE COMPANY.

Subject to Article Eight, the Guarantor will at all times continue to own, directly or indirectly, all of the issued and outstanding Voting Shares of the Company.

#### SECTION 10.08 LIENS.

The Guarantor will not, and it will not permit any Subsidiary to pledge, mortgage or hypothecate or permit to exist any pledge, mortgage or hypothecation or other lien upon Voting Shares of any Principal Subsidiary Bank owned by the Guarantor or any Subsidiary to secure any indebtedness for borrowed money without making effective provisions whereby any Securities shall be equally and ratably secured with any and all such indebtedness; provided, however, that this restriction shall not apply to or prevent:

- (a) the mortgage, pledge, or hypothecation of, or the establishment of a lien on, any such Voting Shares to secure indebtedness of the Guarantor or a Subsidiary as part of the purchase price of such Voting Shares, or incurred prior to, at the time of or within 120 days after acquisition thereof for the purpose of financing all or any part of the purchase price thereof;
- (b) the acquisition by the Guarantor or any Subsidiary of any Voting Shares subject to mortgages, pledges, hypothecations or other liens existing thereon at the time of acquisition (whether or not the obligations secured thereby are assumed by the Guarantor or such Subsidiary);
- (c) the assumption by the Guarantor or a Subsidiary of obligations secured by mortgages on, pledge or hypothecations of, or other liens on, any such Voting Shares, existing at the time of the acquisition by the Guarantor or such Subsidiary of such Voting Shares;
- (d) the extension, renewal or refunding (or successive extensions, renewals or refundings), in whole or in part, of any mortgage, pledge, hypothecation or other lien

referred to in the foregoing clauses (a), (b) and (c); provided, however, that the principal amount of any and all other obligations and indebtedness secured thereby shall not exceed the principal amount so secured at the time of such extension, renewal or refunding, and that such extension, renewal or refunding shall be limited to all or a part of the Voting Shares that were subject to the mortgage, pledge, hypothecation or other lien so extended, renewed or refunded; or

(e) liens to secure loans or other extensions of credit by a Subsidiary Bank subject to Section 23A of the Federal Reserve Act or any successor or similar federal law or regulations promulgated thereunder;

and provided, further, that, notwithstanding the foregoing, the Guarantor may incur or permit to be incurred or to exist upon such Voting Shares (a) liens for taxes, assessments or other governmental charges or levies which are not yet due or are payable without penalty or of which the amount, applicability or validity is being contested by the Guarantor or a Subsidiary in good faith by appropriate proceedings and the Guarantor of such Subsidiary shall have set aside on its books adequate reserves with respect thereto (segregated to the extent required by generally accepted accounting principles), or (b) the lien of any judgment, if such judgment shall not have remained undischarged, or unstayed on appeal or otherwise, for more than 60 days.

In case the Guarantor or any Subsidiary shall propose to pledge, mortgage or hypothecate any Voting Shares at any time owned by it to secure any indebtedness, other than as permitted by subdivisions (a) to (e), inclusive, of this Section, the Guarantor will prior thereto give written notice thereof to the Trustee, and will prior to or simultaneously with such pledge, mortgage or hypothecation, by supplemental indenture delivered to the Trustee, in form satisfactory to it, effectively secure all the Securities equally and ratably with such indebtedness, by pledge, mortgage or hypothecation of such Voting Shares. Such supplemental indenture shall contain the provisions concerning the possession, control, release and substitution of mortgaged and pledged property and securities and other appropriate matters which are required or are permitted by the Trust Indenture Act (as in effect at the date of execution of such supplemental indenture) to be included in a secured indenture qualified under said Act, and may also contain such additional and amendatory provisions permitted by said Act as the Guarantor and the Trustee shall deem advisable or appropriate or as the Trustee shall deem necessary in connection with such pledge, mortgage or hypothecation.

#### SECTION 10.09 WAIVER OF COVENANTS.

The Company or the Guarantor, as the case may be, may omit in respect of any series of Securities in any particular instance to comply with any covenant or condition set forth in Section 10.05 through 10.08 hereof, if before or after the time for such compliance the Holders of a majority in principal amount of the Securities of such series at the time Outstanding shall, by Act of such Holders of Securities, either waive such compliance in such instance or generally waive compliance with such covenant or condition, but no such waiver shall extend to or affect such covenant or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Company and the Guarantor and the duties of the Trustee in respect of any such covenant or condition shall remain in full force and effect.

SECTION 10.10. LIMITATION ON THE COVENANT CONCERNING SALE OR ISSUANCE OF VOTING SHARES OF PRINCIPAL SUBSIDIARY BANK.

Notwithstanding Section 10.06, the Guarantor shall be obligated to comply with the covenant set forth in Section 10.06 of the Indenture, entitled "Limitation on Sale or Issuance of Voting Shares of Principal Subsidiary Bank," only for so long as there shall be issued and Outstanding Securities.

ARTICLE ELEVEN

REDEMPTION OF SECURITIES

SECTION 11.01. APPLICABILITY OF ARTICLE.

Securities of any series which are redeemable before their Stated Maturity shall be redeemable in accordance with their terms and (except as otherwise specified as contemplated by Section 3.01 for such Securities) in accordance with this Article.

SECTION 11.02. ELECTION TO REDEEM; NOTICE TO TRUSTEE.

The election of the Company to redeem any Securities shall be evidenced by a Board Resolution or in another manner specified as contemplated by Section 3.01 for such Securities. In case of any redemption at the election of the Company, the Company shall, at least 60 days prior to the Redemption Date fixed by the Company (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee of such Redemption Date, of the principal amount of Securities of such series to be redeemed and, if applicable, of the tenor of the Securities to be redeemed. In the case of any redemption of Securities (a) prior to the expiration of any restriction on such redemption provided in the terms of such Securities or elsewhere in this Indenture, or (b) pursuant to an election of the Company which is subject to a condition specified in the terms of such Securities or elsewhere in this Indenture, the Company shall furnish the Trustee with an Officers' Certificate evidencing compliance with such restriction or condition.

SECTION 11.03. SELECTION BY TRUSTEE OF SECURITIES TO BE REDEEMED.

Unless otherwise specified as contemplated by Section 3.01, if less than all the Securities of any series are to be redeemed (unless all the Securities of such series and of a specified tenor are to be redeemed or unless such redemption affects only a single Security), the particular Securities to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Trustee, from the Outstanding Securities of such series not previously called for redemption, by such method as the Trustee shall deem fair and appropriate and which may provide for the selection for redemption of a portion of the principal amount of any Security of such series, provided that the unredeemed portion of the principal amount of any Security shall be in an authorized denomination (which shall not be less than the minimum authorized

denomination) for such Security. If less than all the Securities of such series and of a specified tenor are to be redeemed (unless such redemption affects only a single Security), the particular Securities to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Trustee, from the Outstanding Securities of such series and specified tenor not previously called for redemption in accordance with the preceding sentence.

If any Security selected for partial redemption is converted in part before termination of the conversion right with respect to the portion of the Security so selected, the converted portion of such Security shall be deemed (so far as may be) to be the portion selected for redemption. Securities which have been converted during a selection of Securities to be redeemed shall be treated by the Trustee as Outstanding for the purpose of such selection.

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

The provisions of the two preceding paragraphs shall not apply with respect to any redemption affecting only a single Security, whether such Security is to be redeemed in whole or in part. In the case of any such redemption in part, the unredeemed portion of the principal amount of the Security shall be in an authorized denomination (which shall not be less than the minimum authorized denomination) for such Security.

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

#### SECTION 11.04. NOTICE OF REDEMPTION.

Notice of redemption shall be given by first-class mail, postage prepaid, mailed not less than 30 nor more than 60 days prior to the Redemption Date, to each Holder of Securities to be redeemed, at his address appearing in the Security Register.

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

(1) the Redemption Date,

(2) the Redemption Price,

(3) if less than all the Outstanding Securities of any series and of a specified tenor consisting of more than a single Security are to be redeemed, the identification (and, in the case of partial redemption of any such Securities, the principal amounts) of the particular Securities to be redeemed and, if less than all the Outstanding Securities of any series and of a specified tenor consisting of a single Security are to be redeemed, the principal amount of the particular Security to be redeemed,

(4) that on the Redemption Date the Redemption Price will become due and payable upon each such Security to be redeemed and, if applicable, that interest thereon will cease to accrue on and after said date,

(5) the place or places where each such Security is to be surrendered for payment of the Redemption Price,

(6) that the redemption is for a sinking fund, if such is the case, and

(7) the conversion price or rate, as the case may be, the date on which the right to convert the Securities to be redeemed will terminate and the place or places where such Securities may be surrendered for conversion.

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

#### SECTION 11.05. DEPOSIT OF REDEMPTION PRICE.

Prior to any Redemption Date, the Company shall deposit with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 10.03) an amount of money sufficient to pay the Redemption Price of, and (except if the Redemption Date shall be an Interest Payment Date) accrued interest on, all the Securities which are to be redeemed on that date other than any Securities called for redemption on that date which have been converted prior to the date of such deposit.

If any Security called for redemption is converted, any money deposited with the Trustee or with any Paying Agent or so segregated and held in trust for the redemption of such Security shall (subject to any right of the Holder of such Security or any Predecessor Security to receive interest as provided in the last paragraph of Section 3.07) be paid to the Company upon Company Request or, if then held by the Company, shall be discharged from such trust.

#### SECTION 11.06. SECURITIES PAYABLE ON REDEMPTION DATE.

Notice of redemption having been given as aforesaid, the Securities so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Company shall default in the payment of the Redemption Price and accrued interest) such Securities shall cease to bear interest. Upon surrender of any such Security for redemption in accordance with said notice, such Security shall be paid by the Company at the Redemption Price, together with accrued interest to the Redemption Date; provided, however, that, unless otherwise specified as contemplated by Section 3.01, installments of interest whose Stated Maturity is on or prior to the Redemption Date will be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such at the close of business on the relevant Record Dates according to their terms and the provisions of Section 3.07.

If any Security called for redemption shall not be so paid upon surrender thereof for redemption, the principal and any premium shall, until paid, bear interest from the Redemption Date at the rate prescribed therefor in the Security.

#### SECTION 11.07. SECURITIES REDEEMED IN PART.

Any Security which is to be redeemed only in part shall be surrendered at a Place of Payment therefor (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing), and the Company shall execute, and the Trustee shall authenticate and deliver to the Holder of such Security without service charge, a new Security or Securities of the same series and of like tenor, of any authorized denomination as requested by such Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Security so surrendered.

### ARTICLE TWELVE

#### SINKING FUNDS

#### SECTION 12.01. APPLICABILITY OF ARTICLE.

The provisions of this Article shall be applicable to any sinking fund for the retirement of Securities of any series except as otherwise specified as contemplated by Section 3.01 for such Securities.

The minimum amount of any sinking fund payment provided for by the terms of any Securities is herein referred to as a “mandatory sinking fund payment”, and any payment in excess of such minimum amount provided for by the terms of such Securities is herein referred to as an “optional sinking fund payment”. If provided for by the terms of any Securities, the cash amount of any sinking fund payment may be subject to reduction as provided in Section 12.02. Each sinking fund payment shall be applied to the redemption of Securities as provided for by the terms of such Securities.

#### SECTION 12.02. SATISFACTION OF SINKING FUND PAYMENTS WITH SECURITIES.

The Company (1) may deliver Outstanding Securities of a series (other than any previously called for redemption) and (2) may apply as a credit Securities of a series which have been converted pursuant to this Indenture or which have been redeemed either at the election of the Company pursuant to the terms of such Securities or through the application of permitted optional sinking fund payments pursuant to the terms of such Securities, in each case in satisfaction of all or any part of any sinking fund payment with respect to any Securities of such series required to be made pursuant to the terms of such Securities as and to the extent provided for by the terms of such Securities; provided that the Securities to be so credited have not been previously so credited. The Securities to be so credited shall be received and credited for such

purpose by the Trustee at the Redemption Price, as specified in the Securities so to be redeemed, for redemption through operation of the sinking fund and the amount of such sinking fund payment shall be reduced accordingly.

#### SECTION 12.03. REDEMPTION OF SECURITIES FOR SINKING FUND.

Not less than 60 days prior to each sinking fund payment date for any Securities, the Company will deliver to the Trustee an Officers' Certificate specifying the amount of the next ensuing sinking fund payment for such Securities pursuant to the terms of such Securities, the portion thereof, if any, which is to be satisfied by payment of cash and the portion thereof, if any, which is to be satisfied by delivering and crediting Securities pursuant to Section 12.02 and stating the basis for such credit and that such Securities have not been previously so credited and will also deliver to the Trustee any Securities to be so delivered. Not less than 30 days prior to each such sinking fund payment date, the Trustee shall select the Securities to be redeemed upon such sinking fund payment date in the manner specified in Section 11.03 and cause notice of the redemption thereof to be given in the name of and at the expense of the Company in the manner provided in Section 11.04. Such notice having been duly given, the redemption of such Securities shall be made upon the terms and in the manner stated in Section 11.06 and 11.07.

### ARTICLE THIRTEEN

#### DEFEASANCE AND COVENANT DEFEASANCE

##### SECTION 13.01. COMPANY'S OPTION TO EFFECT DEFEASANCE OR COVENANT DEFEASANCE.

The Company may elect, at its option at any time, to have Section 13.02 or Section 13.03 applied to any Securities or any series of Securities, as the case may be, designated pursuant to Section 3.01 as being defeasible pursuant to such Section 13.02 or 13.03, in accordance with any applicable requirements provided pursuant to Section 3.01 and upon compliance with the conditions set forth below in this Article. Any such election shall be evidenced by a Board Resolution or in another manner specified as contemplated by Section 3.01 for such Securities.

##### SECTION 13.02. DEFEASANCE AND DISCHARGE.

Upon the Company's exercise of its option (if any) to have this Section applied to any Securities or any series of Securities, as the case may be, the Company shall be deemed to have been discharged from its obligations with respect to such Securities as provided in this Section on and after the date the conditions set forth in Section 13.04 are satisfied (hereinafter called "Defeasance"). For this purpose, such Defeasance means that the Company shall be deemed to have paid and discharged the entire indebtedness represented by such Securities and to have satisfied all its other obligations under such Securities and this Indenture insofar as such Securities are concerned (and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging the same), subject to the following which shall survive until otherwise terminated or discharged hereunder: (1) the rights of Holders of such Securities to



receive, solely from the trust fund described in Section 13.04 and as more fully set forth in such Section, payments in respect of the principal of and any premium and interest on such Securities when payments are due and any rights of such Holder to convert such Securities as provided herein, (2) the Company's obligations with respect to such Securities under Sections 3.04, 3.05, 3.06, 10.02 and 10.03, and with respect to the Trustee under Section 6.07 and with respect to any rights to convert such Securities as provided herein, (3) the rights, powers, trusts, duties and immunities of the Trustee hereunder and (4) this Article. Subject to compliance with this Article, the Company may exercise its option (if any) to have this Section applied to any Securities notwithstanding the prior exercise of its option (if any) to have Section 13.03 applied to such Securities.

#### SECTION 13.03. COVENANT DEFEASANCE.

Upon the Company's exercise of its option (if any) to have this Section applied to any Securities or any series of Securities, as the case may be, (1) each of the Company and the Guarantor shall be released from its respective obligations under Sections 10.04 and 10.05 through 10.08, inclusive, and any covenants provided pursuant to Sections 9.01(2) or 9.01(4) for the benefit of the Holders of such Securities and (2) the occurrence of any event specified in Section 5.01(3) (with respect to any of Sections 10.04 or 10.05 through 10.08, inclusive, and any such covenants provided pursuant to Section 9.01(2) or 9.01(4)) shall be deemed not to be or result in an Event of Default with respect to such Securities as provided in this Section on and after the date the conditions set forth in Section 13.04 are satisfied (hereinafter called "Covenant Defeasance"). For this purpose, such Covenant Defeasance means that, with respect to such Securities, the Company may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such specified Section (to the extent so specified in the case of Section 5.01(3)), whether directly or indirectly by reason of any reference elsewhere herein to any such Section or by reason of any reference in any such Section to any other provision herein or in any other document, but the remainder of this Indenture and such Securities shall be unaffected thereby.

#### SECTION 13.04. CONDITIONS TO DEFEASANCE OR COVENANT DEFEASANCE.

The following shall be the conditions to the application of Section 13.02 or Section 13.03 to any Securities or any series of Securities, as the case may be:

(1) The Company shall irrevocably have deposited or caused to be deposited with the Trustee as trust funds in trust for the purpose of making the following payments, specifically pledged as security for, and dedicated solely to, the benefit of the Holders of such Securities, (A) money in an amount, or (B) U.S. Government Obligations which through the scheduled payment of principal and interest in respect thereof in accordance with their terms will provide, not later than one day before the due date of any payment, money in an amount, or (C) a combination thereof, in each case sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay and discharge, and which shall be applied by the Trustee to pay and discharge, the principal of and any premium and interest on such Securities on the respective Stated Maturities or on any Redemption Date

established pursuant to clause (9) below, in accordance with the terms of this Indenture and such Securities. As used herein, "U.S. Government Obligation" means (x) any security which is (i) a direct obligation of the United States of America for the payment of which the full faith and credit of the United States of America is pledged or (ii) an obligation of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in either case (i) or (ii), is not callable or redeemable at the option of the issuer thereof, and (y) any depositary receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act) as custodian with respect to any U.S. Government Obligation which is specified in Clause (x) above and held by such bank for the account of the holder of such depositary receipt, or with respect to any specific payment of principal of or interest on any U.S. Government Obligation which is so specified and held, provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depositary receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of principal or interest evidenced by such depositary receipt.

(2) In the event of an election to have Section 13.02 apply to any Securities or any series of Securities, as the case may be, the Company shall have delivered to the Trustee an Opinion of Counsel stating that (A) the Company has received from, or there has been published by, the Internal Revenue Service a ruling or (B) since the date of this instrument, there has been a change in the applicable Federal income tax law, in either case (A) or (B) to the effect that, and based thereon such opinion shall confirm that, the Holders of such Securities will not recognize gain or loss for Federal income tax purposes as a result of the deposit, Defeasance and discharge to be effected with respect to such Securities and will be subject to Federal income tax on the same amount, in the same manner and at the same times as would be the case if such deposit, Defeasance and discharge were not to occur.

(3) In the event of an election to have Section 13.03 apply to any Securities or any series of Securities, as the case may be, the Company shall have delivered to the Trustee an Opinion of Counsel to the effect that the Holders of such Securities will not recognize gain or loss for Federal income tax purposes as a result of the deposit and Covenant Defeasance to be effected with respect to such Securities and will be subject to Federal income tax on the same amount, in the same manner and at the same times as would be the case if such deposit and Covenant Defeasance were not to occur.

(4) The Company shall have delivered to the Trustee an Officers' Certificate to the effect that neither such Securities nor any other Securities of the same series, if then listed on any securities exchange, will be delisted as a result of such deposit.

(5) No event which is, or after notice or lapse of time or both would become, an Event of Default with respect to such Securities or any other Securities shall have occurred and be continuing at the time of such deposit or, with regard to any such event specified in Sections 5.01(4) and (5), at any time on or prior to the 90th day after the date

of such deposit (it being understood that this condition shall not be deemed satisfied until after such 90th day).

(6) Such Defeasance or Covenant Defeasance shall not cause the Trustee to have a conflicting interest within the meaning of the Trust Indenture Act (assuming all Securities are in default within the meaning of such Act).

(7) Such Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under, any other agreement or instrument to which the Company is a party or by which it is bound.

(8) Such Defeasance or Covenant Defeasance shall not result in the trust arising from such deposit constituting an investment Company within the meaning of the Investment Company Act unless such trust shall be registered under such Act or exempt from registration thereunder.

(9) If the Securities are to be redeemed prior to Stated Maturity (other than from mandatory sinking fund payments or analogous payments), notice of such redemption shall have been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee shall have been made.

(10) The Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent with respect to such Defeasance or Covenant Defeasance have been complied with.

#### SECTION 13.05. DEPOSITED MONEY AND U.S. GOVERNMENT OBLIGATIONS TO BE HELD IN TRUST; MISCELLANEOUS PROVISIONS.

Subject to the provisions of the last paragraph of Section 10.03, all money and U.S. Government Obligations (including the proceeds thereof) deposited with the Trustee pursuant to Section 13.04 in respect of any Securities shall be held in trust and applied by the Trustee, in accordance with the provisions of such Securities and this Indenture, to the payment, either directly or through any such Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Holders of such Securities, of all sums due and to become due thereon in respect of principal and any premium and interest, but money so held in trust need not be segregated from other funds except to the extent required by law.

The Company shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the U.S. Government Obligations deposited pursuant to Section 13.04 or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of Outstanding Securities.

Anything in this Article to the contrary notwithstanding, the Trustee shall deliver or pay to the Company from time to time upon Company Request any money or U.S. Government Obligations held by it as provided in Section 13.04 with respect to any Securities which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, are in excess of the amount thereof which would

then be required to be deposited to effect the Defeasance or Covenant Defeasance, as the case may be, with respect to such Securities.

#### SECTION 13.06. REINSTATEMENT.

If the Trustee or the Paying Agent is unable to apply any money in accordance with this Article with respect to any Securities by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the obligations under this Indenture and such Securities from which the Company has been discharged or released pursuant to Section 13.02 or 13.03 shall be revived and reinstated as though no deposit had occurred pursuant to this Article with respect to such Securities, until such time as the Trustee or Paying Agent is permitted to apply all money held in trust pursuant to Section 13.05 with respect to such Securities in accordance with this Article; provided, however, that if the Company makes any payment of principal of or any premium or interest on any such Security following such reinstatement of its obligations, the Company shall be subrogated to the rights (if any) of the Holders of such Securities to receive such payment from the money so held in trust.

### ARTICLE FOURTEEN

#### CONVERSION OF SECURITIES

##### SECTION 14.01. CONVERSION PRIVILEGE.

Subject to and upon compliance with the provisions of this Article, at the option of the Holder thereof, Securities of any series or any portion of the principal amount thereof which is \$1,000 or an integral multiple of \$1,000 may be converted at the principal amount thereof, or of such portion thereof, into fully paid and nonassessable shares (calculated as to each conversion to the nearest 1/100 of a share) of Guarantor Common Stock, in accordance with the terms of such series of Securities and (except as otherwise specified as contemplated by Section 3.01) in accordance with this Article. In case a Security or portion thereof is called for redemption, such conversion right in respect of the Security or portion so called shall expire at the close of business on the Business Day which is immediately preceding the Redemption Date, unless the Company defaults in making the payment due upon redemption.

The price at which shares of Guarantor Common Stock shall be delivered upon conversion, which shall be specified as contemplated by Section 3.01, shall be referred to herein as the "conversion price." The conversion price shall be adjusted in certain instances as specified as provided in Section 3.01.

##### SECTION 14.02. EXERCISE OF CONVERSION PRIVILEGE.

In order to exercise the conversion privilege, the Holder of any Security to be converted shall surrender such Security, duly endorsed or assigned to the Company or in blank, at any office or agency of the Company maintained for that purpose pursuant to Section 10.02,

accompanied by written notice to the Company at such office or agency that the Holder elects to convert such Security or, if less than the entire principal amount thereof is to be converted, the portion thereof to be converted. Securities surrendered for conversion during the period from the close of business on any Regular Record Date next preceding any Interest Payment Date to the opening of business on such Interest Payment Date shall be accompanied by payment in funds reasonably acceptable to the Company of an amount equal to the interest payable on such Interest Payment Date on the principal amount of Securities being surrendered for conversion.

The interest so payable on such Interest Payment Date in respect of any Security (or portion thereof, as the case may be) that has not been called for redemption on a Redemption Date with the consequence of termination of the conversion right as aforesaid, which Security (or portion thereof, as the case may be) is surrendered for conversion during the period from the close of business on any Regular Record Date next preceding any Interest Payment Date to the opening of business on such Interest Payment Date, shall be paid to the Holder of such Security as of such Regular Record Date. Except as provided in this paragraph and subject to the last paragraph of Section 3.07, no cash payment or adjustment shall be made upon any conversion on account of any interest accrued from the Interest Payment Date next preceding the conversion date, in respect of any Security (or part thereof, as the case may be) surrendered for conversion, or on account of any dividends on the Common Stock issued upon conversion. The Company's delivery to the Holder of the number of shares of Guarantor Common Stock (and cash in lieu of fractions thereof, as provided in this Indenture) into which a Security is convertible will be deemed to satisfy the Company's obligation to pay the principal amount of the Security.

Securities shall be deemed to have been converted immediately prior to the close of business on the day of surrender of such Securities for conversion in accordance with the foregoing provisions, and at such time the rights of the Holders of such Securities as Holders shall cease, and the Person or Persons entitled to receive the Guarantor Common Stock issuable upon conversion shall be treated for all purposes as the record holder or holders of such Guarantor Common Stock at such time. As promptly as practicable on or after the conversion date, the Company or the Guarantor shall issue and shall deliver at such office or agency a certificate or certificates for the number of full shares of Guarantor Common Stock issuable upon conversion, together with payment in lieu of any fraction of a share, as provided in Section 14.03.

In the case of any Security which is converted in part only, upon such conversion the Company shall execute and the Trustee shall authenticate and deliver to the Holder thereof, at the expense of the Company, a new Security or Securities of authorized denominations in aggregate principal amount equal to the unconverted portion of the principal amount of such Security.

#### SECTION 14.03. FRACTIONS OF SHARES.

No fractional shares of Guarantor Common Stock shall be issued upon conversion of Securities. If more than one Security shall be surrendered for conversion at one time by the same Holder, the number of full shares which shall be issuable upon conversion thereof shall be computed on the basis of the aggregate principal amount of the Securities (or specified portions thereof) so surrendered. Instead of any fractional share of Guarantor Common Stock which

would otherwise be issuable upon conversion of any Security or Securities (or specified portions thereof), the Company shall pay a cash adjustment in respect of such fraction in an amount equal to the same fraction of the closing price per share of Guarantor Common Stock (as determined in the manner set forth in the Officers' Certificate establishing the terms of a convertible Security as described in Section 3.01(18)) at the close of business on the day of conversion.

SECTION 14.04. NOTICE OF ADJUSTMENTS OF CONVERSION PRICE.

Whenever the conversion price is adjusted as specified as provided in Section 3.01:

(1) the Company shall compute the adjusted conversion price in accordance with the provisions specified as provided in Section 3.01 and shall prepare a certificate signed by the Treasurer of the Company, or other applicable officer, setting forth the adjusted conversion price and showing in reasonable detail the facts upon which such adjustment is based, and such certificate shall forthwith be filed at each office or agency maintained for the purpose of conversion of Securities pursuant to Section 10.02; and

(2) a notice stating that the conversion price has been adjusted and setting forth the adjusted conversion price shall forthwith be required, and as soon as practicable after it is required, such notice shall be mailed by the Company to all Holders at their last addresses as they shall appear in the Security Register.

SECTION 14.05. NOTICE OF CERTAIN CORPORATE ACTION.

In case:

(1) the Guarantor shall declare a dividend (or any other distribution) on Guarantor Common Stock such that any adjustment to the conversion price would be required pursuant to the terms of the series of Securities;

(2) the Guarantor shall authorize the granting to the holders of Guarantor Common Stock of rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any other rights;

(3) of any reclassification of the Guarantor Common Stock (other than a subdivision or combination of outstanding shares of Guarantor Common Stock), or of any consolidation or merger to which the Guarantor is a party and for which approval of any shareholders of the Guarantor is required, or of the sale or transfer of all or substantially all of the assets of the Guarantor; or

(4) of the voluntary or involuntary dissolution, liquidation or winding up of the Guarantor;

then the Company shall cause to be filed at each office or agency maintained for the purpose of conversion of Securities pursuant to Section 10.02, and shall cause to be mailed to all Holders at their last addresses as they shall appear in the Security Register or as otherwise allowed by

Section 1.06, at least 10 days (or five days in any case specified in clause (1) or (2) above) prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, rights or warrants, or, if a record is not to be taken, the date as of which the holders of Guarantor Common Stock of record to be entitled to such dividend, distribution, rights or warrants 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, and the date as of which it is expected that holders of Guarantor Common Stock of record shall be entitled to exchange their shares of Guarantor Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding up.

The Company shall cause to be filed at each office or agency maintained for the purpose of conversion of Securities pursuant to Section 10.02, and shall cause to be provided to all Holders in accordance with Section 1.06, notice of any tender offer by the Guarantor or any subsidiary of the Guarantor for all or any portion of the Guarantor Common Stock at or about the time that such notice of tender offer is provided to the public generally.

#### SECTION 14.06. GUARANTOR TO RESERVE GUARANTOR COMMON STOCK.

The Guarantor shall at all times reserve and keep available, free from preemptive rights, out of its authorized but unissued Guarantor Common Stock, for the purpose of effecting the conversion of Securities, the full number of shares of Guarantor Common Stock then issuable upon the conversion of all outstanding Securities.

#### SECTION 14.07. TAXES ON CONVERSIONS.

The Guarantor will pay any and all taxes that may be payable in respect of the issue or delivery of shares of Guarantor Common Stock on conversion of Securities pursuant hereto. The Guarantor shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of shares of Guarantor Common Stock in a name other than that of the Holder of the Security or Securities to be converted, and no such issue or delivery shall be made unless and until the Person requesting such issue has paid to the Guarantor the amount of any such tax, or has established to the satisfaction of the Guarantor that such tax has been paid.

#### SECTION 14.08. COVENANT AS TO GUARANTOR COMMON STOCK.

The Guarantor covenants that all shares of Guarantor Common Stock which may be issued upon conversion of Securities will upon issue be fully paid and nonassessable and, except as provided in Section 14.07, the Guarantor will pay all taxes, liens and charges with respect to the issue thereof.

#### SECTION 14.09. CANCELLATION OF CONVERTED SECURITIES.

All Securities delivered for conversion shall be delivered to the Trustee to be cancelled by or at the direction of the Trustee, which shall dispose of the same as provided in Section 3.09.

SECTION 14.10. PROVISIONS IN CASE OF CONSOLIDATION, MERGER OF SALE OF ASSETS.

In case of any consolidation of the Guarantor with, or merger of the Guarantor into, any other Person, any merger of another Person into the Guarantor (other than a merger which does not result in any reclassification, conversion, exchange or cancellation of Outstanding shares of Guarantor Common Stock) or any sale or transfer or conveyance of all or substantially all of the assets of the Guarantor, the Person formed by such consolidation or resulting from such merger or which acquires such assets, as the case may be, shall execute and deliver to the Trustee a supplemental indenture providing that the Holder of each Security then outstanding shall have the right thereafter, during the period such Security shall be convertible as specified in Section 14.01, to convert such Security only into the kind and amount of securities, cash and other property receivable upon such consolidation, merger, sale or transfer or conveyance by a holder of the number of shares of Guarantor Common Stock into which such Security might have been converted immediately prior to such consolidation, merger, sale or transfer or conveyance, assuming such holder of Guarantor Common Stock (i) is not a Person with which the Guarantor consolidated or into which the Guarantor merged or which merged into the Guarantor or to which such sale or transfer was made, as the case may be ("constituent Person"), or an Affiliate of a constituent Person and (ii) failed to exercise his rights of election, if any, as to the kind or amount of securities, cash and other property receivable upon such consolidation, merger, sale or transfer or conveyance (provided that if the kind or amount of securities, cash and other property receivable upon such consolidation, merger, sale or transfer is not the same for each share of Guarantor Common Stock held immediately prior to such consolidation, merger, sale or transfer by others than a constituent Person or an Affiliate thereof and in respect of which such rights of election shall not have been exercised ("nonelecting share"), then for the purpose of this Section the kind and amount of securities, cash and other property receivable upon such consolidation, merger, sale or transfer by each nonelecting share shall be deemed to be the kind and amount so receivable per share by a plurality of the nonelecting shares). Such supplemental indenture shall provide for adjustments which, for events subsequent to the effective date of such supplemental indenture, shall be as nearly equivalent as may be practicable to the adjustments provided for in this Indenture applicable to the Securities immediately prior to the consolidation, merger, sale of, transfer or conveyance. The above provisions of this Section shall similarly apply to successive consolidations, mergers, sales or transfers. Notice of the execution of such a supplemental indenture shall be given by the Guarantor to the Holder of each Security as provided in Section 1.06 promptly upon such execution.

The Guarantor shall be solely responsible for performing the duties and responsibilities contained in this Article and the Trustee shall have no responsibility therefor.

SECTION 14.11. TRUSTEE ADJUSTMENT DISCLAIMER.

The Trustee has no duty or responsibility to determine when an adjustment of the conversion price should be made, how it should be made or what it should be. The Trustee shall not be accountable for and makes no representation as to the validity or value of any securities or assets issued upon conversion of Securities. The Trustee shall not be accountable with respect to



the validity or value of any shares of Guarantor Common Stock. The Trustee shall not be responsible for the Guarantor's failure to comply with this Article Fourteen.

This instrument may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

#### ARTICLE FIFTEEN

##### IMMUNITY OF INCORPORATORS, STOCKHOLDERS, OFFICERS AND DIRECTORS

###### SECTION 15.01. EXEMPTION FROM INDIVIDUAL LIABILITY.

No recourse under or upon any obligation, covenant or agreement of this Indenture, or of any Security, or for any claim based thereon otherwise in respect thereof, shall be had against any incorporator, stockholder, officer or director, as such, past, present or future, of the Company, the Guarantor or the Trustee or of any predecessor or successor corporation, either directly or through the Company, the Guarantor or the Trustee, 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 and agreed that this Indenture and the obligations issued hereunder are solely corporate obligations of the Company and the Guarantor and that no such personal liability whatever shall attach to, or is or shall be incurred by, the incorporators, stockholders, officers or directors, as such, of the Company, the Guarantor or the Trustee or of any predecessor or successor corporation, or any of them, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in this Indenture or in any of the Securities or Guarantees or implied therefrom, and that any and all such personal liability, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such incorporator, stockholder, officer or director, as such, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in this Indenture or in any of the Securities or Guarantees or implied therefrom, are hereby expressly waived and released as a condition of, and as a consideration for, the execution and delivery of this Indenture and the issue of such Securities.



[The PNC Financial Services Group, Inc. Letterhead]

June 30, 2005

Board of Directors  
The PNC Financial Services Group, Inc.  
PNC Funding Corp  
One PNC Plaza  
249 Fifth Avenue  
Pittsburgh, PA 15222-2707

Ladies and Gentlemen:

This opinion is issued in connection with the Registration Statement on Form S-3 (the "Registration Statement") of The PNC Financial Services Group, Inc. (the "Corporation") and PNC Funding Corp ("PNC Funding") to be filed with the Securities and Exchange Commission (the "Commission"), relating to the registration under the Securities Act of 1933, as amended (the "Securities Act"), of (i) unsecured debt securities of PNC Funding ("Debt Securities"), guaranteed by the Corporation (the "Guarantees"); (ii) warrants of PNC Funding to purchase Debt Securities ("Debt Warrants"); (iii) shares of the Corporation's common stock, par value \$5.00 per share ("Common Stock"); (iv) shares of the Corporation's preferred stock, par value \$1.00 per share ("Preferred Stock"); (v) depositary shares representing Preferred Stock ("Depositary Shares") to be evidenced by depositary receipts to be issued pursuant to a Deposit Agreement (in the form filed as Exhibit 4.5 of the Registration Statement on Form S-3 filed August 29, 1997 (Registration No. 333-34709), the "Deposit Agreement") in the event the Corporation elects to offer fractional interests in shares of Preferred Stock; (vi) purchase contracts for the purchase or sale of Common Stock, Preferred Stock, Depositary Shares, Debt Securities, or securities of a third party ("Purchase Contracts"); (vii) units comprising a combination of any other securities registered under the Registration Statement ("Units"); and (viii) warrants of the Corporation to purchase Common Stock, Preferred Stock and Depositary Shares ("Equity Warrants" and together with the Debt Warrants, the "Warrants") with a proposed maximum offering price for such Debt Securities and related Guarantees, Common Stock, Preferred Stock, Depositary Shares, Purchase Contracts, Units, and Warrants of \$2,000,000,000, plus (a) an indeterminate number of shares of Common Stock, Preferred Stock, Depositary Shares and an indeterminate principal amount of Debt Securities, in each case issuable upon conversion, exchange or exercise of the Preferred Stock, Debt Securities or Warrants registered thereunder and (b) an indeterminate number of shares of Common Stock, Preferred Stock or Depositary Shares as applicable, issuable upon the settlement of the Purchase Contracts registered thereunder. The Common Stock, the Preferred Stock and the Depositary Shares are collectively referred to as the "Registered Equity Securities". The Prospectus contained in the Registration Statement is referred to as the "Base Prospectus". The term "Total Prospectus" refers to

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the Base Prospectus and the applicable supplement to such Base Prospectus with respect to a particular offering of Debt Securities, Purchase Contracts, Units, Registered Equity Securities or Warrants.

As Senior Counsel to the Corporation, I have examined (1) the Articles of Incorporation and By-Laws, each as amended to date, of the Corporation; (2) the Articles of Incorporation and By-Laws, each as amended to date, of PNC Funding; (3) the Indenture dated as of December 1, 1991, as amended and supplemented by the Supplemental Indenture dated as of February 15, 1993 filed as Exhibits 4.6 and Exhibit 4.7, respectively, of the Registration Statement on Form S-3 filed August 29, 1997 (Registration No. 333-34709), and as further amended and supplemented by a Second Supplemental Indenture dated February 15, 2000 filed as Exhibit 4.8 of the Registration Statement and the Indenture dated as of June 30, 2005 filed as Exhibit 4.11 of the Registration Statement (each an "Indenture" and collectively, the "Indentures"), pursuant to which the Debt Securities and related Guarantees will be issued; (4) the Deposit Agreement; (5) the Registration Statement, including the Base Prospectus and the Exhibits being filed with it and as of this date incorporated therein by reference; (6) the resolutions adopted by the Corporation's Board of Directors at a meeting duly held on May 26, 2005; and (7) the Unanimous Written Consent of the Board of Directors of PNC Funding dated as of May 26, 2005. I have also examined such records, certificates and other documents relating to the Corporation and PNC Funding that I have considered necessary or appropriate for the purposes of this opinion.

In making such examination and rendering the opinions set forth below, I have assumed: (i) the genuineness and authenticity of all signatures on original documents; (ii) the authenticity of all documents submitted to me as originals; and (iii) the conformity to the originals of all documents submitted to me as certified, telecopied, or reproduced copies and the authenticity of all originals of such documents.

I am admitted to practice law in the Commonwealth of Pennsylvania and do not purport to be an expert on or to express any opinion on any laws other than laws of the Commonwealth of Pennsylvania and the federal securities laws of the United States of America. This opinion speaks as of today's date and is limited to statutes, regulations and judicial interpretations in force as of today's date. In rendering this opinion, I assume no obligation to revise or supplement this opinion should the foregoing be changed by legislative or regulatory action, judicial decision or otherwise or should the agreements or other documents (or forms thereof) that I have examined in connection with this opinion hereafter be changed.

With respect to any Common Stock held as treasury shares that may be sold, my opinion is also subject to the condition that such shares had been validly issued before they were reacquired by the Corporation and became treasury shares. With respect to my opinion relating to Depositary Shares, I have assumed that the Deposit Agreement has been duly authorized, executed and delivered by the Corporation and the applicable depositary, and that the depositary receipts have been duly countersigned by a registrar and the applicable depositary in accordance with the Deposit Agreement. With respect to each of the Common Stock and Preferred Stock, I have assumed that certificates evidencing such Registered Equity Securities have been duly countersigned by the applicable registrar and transfer agent. With respect to my opinion relating to any Warrant, I have assumed that any Warrant Agreement pursuant to which the Warrants are issued has been duly authorized, executed and delivered by the Corporation and/or PNC Funding, as the case may be, and the applicable warrant agent, the terms of the Warrants and of their issuance and sale have been duly established in

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conformity with the Warrant Agreement so as not to violate any applicable law or result in a material default under or material breach of any agreement or instrument binding upon the Corporation or PNC Funding and so as to comply with any requirement or restriction imposed by any court or governmental body having jurisdiction over the Corporation or PNC Funding, and the Warrants have been duly executed and countersigned in accordance with the Warrant Agreement.

With respect to my opinion relating to any Purchase Contract, I have assumed that any Purchase Contract has been duly authorized, executed and delivered by the Corporation, as the case may be, and the Purchase Contract and the terms of its issuance and sale have been duly established so as not to violate any applicable law or result in a material default under or material breach of any agreement or instrument binding upon the Corporation or PNC Funding and so as to comply with any requirement or restriction imposed by any court or governmental body having jurisdiction over the Corporation or PNC Funding, and the Purchase Contract has been duly executed and countersigned in accordance with its terms.

With respect to my opinion relating to any Unit, I have assumed that any unit agreement pursuant to which the Units are issued has been duly authorized, executed and delivered by the Corporation, and the terms of the Units and of their issuance and sale have been duly established in conformity with the unit agreement so as not to violate any applicable law or result in a material default under or material breach of any agreement or instrument binding upon the Corporation and so as to comply with any requirement or restriction imposed by any court or governmental body having jurisdiction over the Corporation and the Units have been duly executed and countersigned in accordance with the unit agreement.

Based upon the foregoing, and subject to the qualifications and limitations stated herein, I am of the opinion that:

(1) When the Registration Statement has become effective in accordance with applicable law, appropriate corporate action is taken with respect to Registered Equity Securities being issued and sold, and the Registered Equity Securities have been issued and sold upon the terms and conditions set forth in the Registration Statement and the Total Prospectus, with payment having been made therefor, then such Registered Equity Securities will be validly issued, fully paid and nonassessable. To the extent such Registered Equity Securities are shares of Preferred Stock that are convertible into Common Stock, when such shares are converted pursuant to and in accordance with the terms of the Preferred Stock, the resulting shares of Common Stock will be validly issued, fully paid and nonassessable.

(2) When the Registration Statement has become effective in accordance with applicable law, appropriate corporate action is taken with respect to the Debt Securities and related Guarantees being issued and sold, and the Debt Securities and related Guarantees are authenticated and issued pursuant to and in accordance with the terms and conditions set forth in the applicable Indenture and delivered and sold as set forth in the Registration Statement and the Total Prospectus, with payment having been made therefor, then such Debt Securities and Guarantees will constitute valid and legally binding obligations of PNC Funding and the Corporation, respectively, except as enforceability is limited by applicable bankruptcy, insolvency, receivership, readjustment of debt, fraudulent conveyance,

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reorganization, moratorium and other laws relating to or affecting creditors' rights generally or general equitable principles, whether considered in a proceeding in equity or at law.

(3) When the Registration Statement has become effective in accordance with applicable law, appropriate corporate action is taken with respect to the Warrants being issued and sold, and the Warrants are issued pursuant to and in accordance with the terms and conditions set forth in the Warrant Agreement and sold as set forth in the Registration Statement and the Total Prospectus, with payment having been made therefor, then such Warrants will constitute valid and legally binding obligations of PNC Funding and the Corporation, as the case may be, except as enforceability is limited by applicable bankruptcy, insolvency, receivership, readjustment of debt, fraudulent conveyance, reorganization, moratorium and other laws relating to or affecting creditors' rights generally or general equitable principles, whether considered in a proceeding in equity or at law.

(4) When the Registration Statement has become effective in accordance with applicable law, appropriate corporate action is taken with respect to the Purchase Contracts and Units being issued and sold, and the Purchase Contracts and Units are issued pursuant to and in accordance with the terms and conditions set forth in the Registration Statement and the Total Prospectus, with payment having been made therefor, and any related pledge agreement has been duly authorized, executed and delivered to the parties thereto, the Purchase Contracts and Units will constitute valid and legally binding obligations of the Corporation, except as enforceability is limited by applicable bankruptcy, insolvency, receivership, readjustment of debt, fraudulent conveyance, reorganization, moratorium and other laws relating to or affecting creditors' rights generally or general equitable principles, whether considered in a proceeding in equity or at law.

I hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to me under the caption "Legal Opinions" in the Prospectus included in Part I of the Registration Statement. In giving such consent, I do not thereby admit that I come within the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission thereunder.

Very truly yours,

/s/ Thomas R. Moore

Thomas R. Moore  
Senior Counsel and Corporate Secretary

**The PNC Financial Services Group, Inc. and Subsidiaries**  
**Computation of Ratio of Earnings**  
**to Fixed Charges**

**EXHIBIT 12.1**

<i>Dollars in millions</i>	Three Months Ended March 31, 2005	Year Ended				
		2004	2003	2002	2001	2000
<b>Earnings</b>						
Pre-tax income from continuing operations before adjustments for minority interest (1)	\$ 468	\$ 1,735	\$ 1,568	\$ 1,821	\$ 564	\$ 1,848
Fixed charges excluding interest on deposits	131	357	346	432	762	1,032
Subtotal	599	2,092	1,914	2,253	1,326	2,880
Interest on deposits	182	484	457	659	1,229	1,653
Total	<u>\$ 781</u>	<u>\$ 2,576</u>	<u>\$ 2,371</u>	<u>\$ 2,912</u>	<u>\$ 2,555</u>	<u>\$ 4,533</u>
<b>Fixed charges</b>						
Interest on borrowed funds	\$ 116	\$ 298	\$ 258	\$ 315	\$ 645	\$ 914
Interest component of rentals	15	58	59	58	53	50
Amortization of notes and debentures	0	1	1	1	1	1
Distributions on mandatorily redeemable capital securities of subsidiary trusts	0	0	28	58	63	67
Subtotal	131	357	346	432	762	1,032
Interest on deposits	182	484	457	659	1,229	1,653
Total	<u>\$ 313</u>	<u>\$ 841</u>	<u>\$ 803</u>	<u>\$ 1,091</u>	<u>\$ 1,991</u>	<u>\$ 2,685</u>
<b>Ratio of earnings to fixed charges</b>						
Excluding interest on deposits	4.57x	5.86x	5.53x	5.22x	1.74x	2.79x
Including interest on deposits	2.50	3.06	2.95	2.67	1.28	1.69

(1) As defined in Item 503(d) of Regulation S-K.

**The PNC Financial Services Group, Inc. and Subsidiaries**  
**Computation of Ratio of Earnings**  
**to Fixed Charges and Preferred Stock Dividends**

**EXHIBIT 12.2**

<i>Dollars in millions</i>	Three Months	Year Ended				
	Ended March 31, 2005	2004	2003	2002	2001	2000
<b>Earnings</b>						
Pre-tax income from continuing operations before adjustments for minority interest (1)	\$ 468	\$ 1,735	\$ 1,568	\$ 1,821	\$ 564	\$ 1,848
Fixed charges and preferred stock dividends excluding interest on deposits	131	358	347	433	782	1,062
Subtotal	599	2,093	1,915	2,254	1,346	2,910
Interest on deposits	182	484	457	659	1,229	1,653
Total	<u>\$ 781</u>	<u>\$ 2,577</u>	<u>\$ 2,372</u>	<u>\$ 2,913</u>	<u>\$ 2,575</u>	<u>\$ 4,563</u>
<b>Fixed charges</b>						
Interest on borrowed funds	\$ 116	\$ 298	\$ 258	\$ 315	\$ 645	\$ 914
Interest component of rentals	15	58	59	58	53	50
Amortization of notes and debentures	0	1	1	1	1	1
Distributions on mandatorily redeemable capital securities of subsidiary trusts	0	0	28	58	63	67
Preferred stock dividend requirements	0	1	1	1	20	30
Subtotal	131	358	347	433	782	1,062
Interest on deposits	182	484	457	659	1,229	1,653
Total	<u>\$ 313</u>	<u>\$ 842</u>	<u>\$ 804</u>	<u>\$ 1,092</u>	<u>\$ 2,011</u>	<u>\$ 2,715</u>
<b>Ratio of earnings to fixed charges and preferred stock dividends</b>						
Excluding interest on deposits	4.57x	5.85x	5.52x	5.21x	1.72x	2.74x
Including interest on deposits	2.50	3.06	2.95	2.67	1.28	1.68

(1) As defined in Item 503(d) of Regulation S-K.



**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in this Registration Statement on Form S-3 of our reports dated February 28, 2005, relating to the consolidated financial statements of The PNC Financial Services Group, Inc. and management's report on the effectiveness of internal control over financial reporting, appearing in the Annual Report on Form 10-K of The PNC Financial Services Group, Inc. for the year ended December 31, 2004, and to the reference to us under the heading "Experts" in the Prospectus, which is part of this Registration Statement.

/s/ Deloitte & Touche LLP

Pittsburgh, Pennsylvania  
June 30, 2005

**POWER OF ATTORNEY****The PNC Financial Services Group, Inc.  
Shelf Registration on Form S-3**

Each of the undersigned directors and/or officers of The PNC Financial Services Group, Inc. (the "Corporation"), a Pennsylvania corporation, hereby names, constitutes and appoints William S. Demchak, Randall C. King and Thomas R. Moore, or any of them, each acting alone, as such person's true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for such person and in his or her name, place and stead, in any and all capacities in connection with the Registration Statement ("Registration Statement") on Form S-3 (or other appropriate form) for the registration under the Securities Act of 1933, as amended (the "Securities Act"), and pursuant to Rule 415 thereunder of: (i) guarantees by the Corporation ("Guarantees") of PNC Funding Corp's unsecured debt securities ("Debt Securities"), which Registration Statement shall also relate to such Debt Securities; (ii) shares of the Corporation's common stock, par value \$5 per share (including the associated preferred share purchase rights that are not exercisable or evidenced separately from the common stock prior to the occurrence of certain events) ("Common Stock"); (iii) shares of the Corporation's preferred stock, par value \$1 per share ("Preferred Stock"); (iv) depository shares representing Preferred Stock ("Depository Shares"), to be evidenced by depository receipts to be issued pursuant to a deposit agreement in the event the Corporation elects to offer fractional interests in shares of Preferred Stock; (v) warrants of PNC Funding Corp for the purchase of Debt Securities, and warrants of the Corporation to purchase Common Stock, Depository Shares or Preferred Stock ("Warrants"); (vi) purchase contracts for the purchase or sale of Common Stock, Preferred Stock, Depository Shares, Debt Securities, or securities of a third party ("Purchase Contracts"); and (vii) units composed of a combination of any other securities registered under the Registration Statement ("Units"); with a proposed maximum aggregate offering price for such Debt Securities, Common Stock, Preferred Stock and Warrants of up to \$2,000,000,000, plus (a) an indeterminate number of shares of Common Stock, Preferred Stock, Depository Shares and an indeterminate principal amount of Debt Securities, in each case issuable upon conversion, exchange or exercise of the Preferred Stock, Debt Securities or Warrants registered thereunder, and (b) an indeterminate number of shares of Common Stock, Preferred Stock or Depository Shares as applicable, issuable upon the settlement of the Purchase Contracts registered thereunder; and in connection with any and all amendments to the Registration Statement and all instruments necessary or in connection therewith, including to sign the Registration Statement and any and all amendments and supplements relating thereto (including stickers and post-effective amendments), in the name and on behalf of Corporation and in the name and on behalf of such officer or director of the Corporation; to sign any and all additional registration statements relating to the same offering of securities as the Registration Statement that are filed pursuant to Rule 462(b) under the Securities Act; to attest to the seal of the Corporation thereon; and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, any state securities commission and any applicable securities exchange or securities self-regulatory organization; hereby granting to said attorneys-in-fact and agents, and each of them acting alone, the full power and authority to do and perform every act and thing requisite, necessary or advisable to be done in and about the premises, as fully and to all intents and purposes as any such officer or director might or could do in person; and said persons are authorized to take or cause to be taken any and all such further actions in connection therewith in the name and on behalf of the Corporation as they, in their sole discretion, deem necessary or appropriate;

And each of the undersigned hereby ratifies and confirms all that any said attorney-in-fact and agent, or any substitute, lawfully does or causes to be done by virtue hereof.

**Facsimile Transmission; Counterparts**

A facsimile, telecopy or other reproduction of this Power of Attorney may be executed by one or more members of the Board of Directors, and an executed copy of this Power of Attorney may be delivered by one or more members of the Board of Directors by facsimile or similar instantaneous electronic transmission device pursuant to which the signature of or on behalf of such party can be seen, and such execution and delivery shall be considered valid, binding and effective for all purposes. At the request of any party hereto, all parties hereto agree to execute an original of this Power of Attorney as well as any facsimile, telecopy or other reproduction hereof. This Power of Attorney may be executed in counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts together shall constitute one Power of Attorney.

---

IN WITNESS WHEREOF, the following persons have duly signed this Power of Attorney this 30th day of June, 2005.

<u>Name/Signature</u>	<u>Capacity</u>
<u>/s/ James E. Rohr</u> James E. Rohr	Chairman, Chief Executive Officer and Director (Principal Executive Officer)
<u>/s/ William S. Demchak</u> William S. Demchak	Vice Chairman and Chief Financial Officer (Principal Financial Officer)
<u>/s/ Samuel R. Patterson</u> Samuel R. Patterson	Controller (Principal Accounting Officer)
<u>/s/ Paul W. Chellgren</u> Paul W. Chellgren	Director
<u>/s/ Robert N. Clay</u> Robert N. Clay	Director
<u>/s/ J. Gary Cooper</u> J. Gary Cooper	Director
<u>/s/ George A. Davidson, Jr.</u> George A. Davidson, Jr.	Director
<u>/s/ Richard B. Kelson</u> Richard B. Kelson	Director
<u>/s/ Bruce C. Lindsay</u> Bruce C. Lindsay	Director
<u>Anthony A. Massaro</u>	Director

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<u>Name/Signature</u>	<u>Capacity</u>
<u>/s/ Thomas H. O'Brien</u> Thomas H. O'Brien	Director
<u>/s/ Jane G. Pepper</u> Jane G. Pepper	Director
<u>/s/ Lorene K. Steffes</u> Lorene K. Steffes	Director
<u>/s/ Dennis F. Strigl</u> Dennis F. Strigl	Director
<u>Stephen G. Thieke</u>	Director
<u>/s/ Thomas J. Usher</u> Thomas J. Usher	Director
<u>Milton A. Washington</u>	Director
<u>/s/ Helge H. Wehmeier</u> Helge H. Wehmeier	Director

**POWER OF ATTORNEY****PNC Funding Corp  
Shelf Registration on Form S-3**

Each of the undersigned directors and/or officers of PNC Funding Corp, a Pennsylvania corporation, hereby names, constitutes and appoints William S. Demchak, Randall C. King and Thomas R. Moore, or any of them, each acting alone, as such person's true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for such person and in his or her name, place and stead, in any and all capacities in connection with the Registration Statement ("Registration Statement") on Form S-3 or other appropriate form for the registration under the Securities Act of 1933, as amended (the "Securities Act"), and pursuant to Rule 415 thereunder of (i) PNC Funding Corp's unsecured debt securities ("Debt Securities") and guarantees thereof ("Guarantees") by The PNC Financial Services Group, Inc. ("PNC") and (ii) warrants for the purchase of Debt Securities ("Warrants"), with a proposed maximum aggregate offering price for such Debt Securities and Warrants, together with the PNC securities to which the Registration Statement shall also relate, of up to \$2,000,000,000, and in connection with any and all amendments to the Registration Statement and all instruments necessary or in connection therewith, including to sign the Registration Statement and any and all amendments and supplements relating thereto (including stickers and post-effective amendments), in the name and on behalf of PNC Funding Corp and in the name and on behalf of such officer or director of PNC Funding Corp; to sign any and all additional registration statements relating to the same offering of securities as the Registration Statement that are filed pursuant to Rule 462(b) under the Securities Act; to attest to the seal of PNC Funding Corp thereon; and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, any state securities commission and any applicable securities exchange or securities self-regulatory organization; hereby granting to said attorneys-in-fact and agents, and each of them acting alone, the full power and authority to do and perform every act and thing requisite, necessary or advisable to be done in and about the premises, as fully and to all intents and purposes as any such officer or director might or could do in person; and said persons are authorized to take or cause to be taken any and all such further actions in connection therewith in the name and on behalf of PNC Funding Corp as they, in their sole discretion, deem necessary or appropriate;

And each of the undersigned hereby ratifies and confirms all that any said attorney-in-fact and agent, or any substitute, lawfully does or causes to be done by virtue hereof.

**Facsimile Transmission; Counterparts**

A facsimile, teletype or other reproduction of this Power of Attorney may be executed by one or more members of the Board of Directors, and an executed copy of this Power of Attorney may be delivered by one or more members of the Board of Directors by facsimile or similar instantaneous electronic transmission device pursuant to which the signature of or on behalf of such party can be seen, and such execution and delivery shall be considered valid, binding and effective for all purposes. At the request of any party hereto, all parties hereto agree to execute an original of this Power of Attorney as well as any facsimile, teletype or other reproduction hereof. This Power of Attorney may be executed in counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts together shall constitute one Power of Attorney.

IN WITNESS WHEREOF, the undersigned has duly signed this Power of Attorney this 30<sup>th</sup> day of June, 2005.

Name/SignatureCapacity/s/ William s. Demchak

Chairman, President and Director

William S. Demchak

/s/ Maria C. Schaffer

Vice President, Treasurer and Controllor

Maria C. Schaffer

/s/ Richard J. Johnson Director  
Richard J. Johnson

/s/ E. William Parsley, III Director  
E. William Parsley, III

/s/ Joseph C. Guyaux Director  
Joseph C. Guyaux

/s/ Randall C. King Senior Vice President and Director  
Randall C. King

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SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY  
UNDER THE TRUST INDENTURE ACT OF 1939 OF  
A CORPORATION DESIGNATED TO ACT AS TRUSTEE

\_\_\_\_\_  
CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY OF  
A TRUSTEE PURSUANT TO SECTION 305(b)(2) \_\_\_\_\_  
\_\_\_\_\_

**JPMORGAN CHASE BANK, NATIONAL ASSOCIATION**

(Exact name of trustee as specified in its charter)

(State of incorporation  
if not a national bank)

**1111 Polaris Parkway**  
**Columbus, Ohio**  
(Address of principal executive offices)

**13-4994650**  
(I.R.S. employer  
identification No.)

**43271**  
(Zip Code)

Thomas F. Godfrey  
Vice President and Assistant General Counsel  
JPMorgan Chase Bank, National Association  
1 Chase Manhattan Plaza, 25<sup>th</sup> Floor  
New York, NY 10081  
Tel: (212) 552-2192

(Name, address and telephone number of agent for service)

**THE PNC FINANCIAL SERVICES GROUP, INC.**  
**PNC FUNDING CORP**

(Exact name of obligor as specified in its charter)

**Pennsylvania**  
**Pennsylvania**  
(State or other jurisdiction of  
incorporation or organization)

**One PNC Plaza**  
**249 Fifth Avenue**  
**Pittsburgh, Pennsylvania**  
(Address of principal executive offices)

**25-1435979**  
**25-1234372**  
(I.R.S. employer  
Identification No.)

**15222-2707**  
(Zip Code)

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**Guarantees of The PNC Financial Services Group, Inc. Debt Securities**  
**Debt Securities to be issued by PNC Funding Corp**  
(Title of the indenture securities)

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**GENERAL**

Item 1. General Information.

Furnish the following information as to the trustee:

- (a) Name and address of each examining or supervising authority to which it is subject.

Comptroller of the Currency, Washington, D.C.

Board of Governors of the Federal Reserve System, Washington, D.C., 20551

Federal Deposit Insurance Corporation, Washington, D.C., 20429.

- (b) Whether it is authorized to exercise corporate trust powers.

Yes.

Item 2. Affiliations with the Obligor and Guarantors.

If the obligor or any guarantor is an affiliate of the trustee, describe each such affiliation.

None.



Item 16. List of Exhibits

List below all exhibits filed as a part of this Statement of Eligibility.

1. A copy of the Articles of Association of JPMorgan Chase Bank, N.A. (see Exhibit 1 to Form T-1 filed in connection with Registration Statement No. 333-106575 which is incorporated by reference).
2. A copy of the Certificate of Authority of the Comptroller of the Currency for the trustee to commence business. (see Exhibit 2 to Form T-1 filed in connection with Registration Statement No. 333-106575 which is incorporated by reference).
3. None, the authority of the trustee to exercise corporate trust powers being contained in the documents described in Exhibits 1 and 2.
4. A copy of the existing By-Laws of the Trustee. (see Exhibit 4 to Form T-1 filed in connection with Registration Statement No. 333-106575 which is incorporated by reference).
5. Not applicable.
6. The consent of the Trustee required by Section 321(b) of the Act. (see Exhibit 6 to Form T-1 filed in connection with Registration Statement No. 333-106575 which is incorporated by reference).
7. A copy of the latest report of condition of the Trustee, published pursuant to law or the requirements of its supervising or examining authority. (see Exhibit 7 to Form T-1 filed in connection with Registration Statement No. 333-106575 which is incorporated by reference).
8. Not applicable.
9. Not applicable.

**SIGNATURE**

Pursuant to the requirements of the Trust Indenture Act of 1939 the Trustee, JPMorgan Chase Bank, N.A., has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of New York and State of New York, on the 23rd day of March, 2005.

JPMORGAN CHASE BANK, N.A.

By /s/ \_\_\_\_\_ Francine Springer  
/s/ \_\_\_\_\_ Francine Springer

Exhibit 7 to Form T-1

Bank Call Notice

RESERVE DISTRICT NO. 2  
CONSOLIDATED REPORT OF CONDITION OF

JPMorgan Chase Bank, N.A.  
of 270 Park Avenue, New York, New York 10017  
and Foreign and Domestic Subsidiaries,  
a member of the Federal Reserve System,

at the close of business March 31, 2005, in  
accordance with a call made by the Federal Reserve Bank of this  
District pursuant to the provisions of the Federal Reserve Act.

ASSETS	Dollar Amounts in Millions
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	\$ 36,236
Interest-bearing balances	24,384
Securities:	
Held to maturity securities	101
Available for sale securities	60,180
Federal funds sold and securities purchased under agreements to resell Federal funds sold in domestic offices	39,536
Securities purchased under agreements to resell	133,265
Loans and lease financing receivables:	
Loans and leases held for sale	21,045
Loans and leases, net of unearned income	\$ 341,550
Less: Allowance for loan and lease losses	5,313
Loans and leases, net of unearned income and allowance	<b>339,000</b>
Trading Assets	236,590
Premises and fixed assets (including capitalized leases)	8,425
Other real estate owned	142
Investments in unconsolidated subsidiaries and associated companies	840
Customers' liability to this bank on acceptances outstanding	592
Intangible assets Goodwill.	23,365
Other Intangible assets	10,259
Other assets	49,089
<b>TOTAL ASSETS</b>	<b>\$ 983,049</b>

LIABILITIES

<b>Deposits</b>	
In domestic offices	\$ 378,772
Noninterest-bearing	\$ 134,412
Interest-bearing	244,360
In foreign offices, Edge and Agreement subsidiaries and IBF's	155,364
Noninterest-bearing	\$ 6,701
Interest-bearing	148,663
Federal funds purchased and securities sold under agreements to repurchase:	
Federal funds purchased in domestic offices	8,918
Securities sold under agreements to repurchase	84,208
Trading liabilities	138,428
Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases)	78,207
Bank's liability on acceptances executed and outstanding	592
Subordinated notes and debentures	17,511
Other liabilities	38,035
<b>TOTAL LIABILITIES</b>	<b>900,035</b>
Minority Interest in consolidated subsidiaries	1,424

EQUITY CAPITAL

Perpetual preferred stock and related surplus	0
Common stock	1,785
Surplus (exclude all surplus related to preferred stock)	58,591
Retained earnings	21,936
Accumulated other comprehensive income	(772)
Other equity capital components.	0
<b>TOTAL EQUITY CAPITAL</b>	<b>81,590</b>
<b>TOTAL LIABILITIES, MINORITY INTEREST, AND EQUITY CAPITAL</b>	<b><u>\$ 983,049</u></b>

I, Joseph L. Sclafani, E.V.P. & Controller of the above-named bank, do hereby declare that this Report of Condition has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true to the best of my knowledge and belief.

JOSEPH L. SCLAFANI

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true and correct.

WILLIAM B. HARRISON, JR.	)	
JAMES DIMON	)	DIRECTORS
MICHAEL J. CAVANAGH	)	

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**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D. C. 20549**

**FORM T-1**

STATEMENT OF ELIGIBILITY  
 UNDER THE TRUST INDENTURE ACT OF 1939 OF  
 A CORPORATION DESIGNATED TO ACT AS TRUSTEE

\_\_\_\_\_  
 CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY OF  
 A TRUSTEE PURSUANT TO SECTION 305(b)(2) \_\_\_\_  
 \_\_\_\_\_

**JPMORGAN CHASE BANK, NATIONAL ASSOCIATION**

(Exact name of trustee as specified in its charter)

(State of incorporation  
 if not a national bank)

**13-4994650**  
 (I.R.S. employer  
 identification No.)

**1111 Polaris Parkway**  
**Columbus, Ohio**  
 (Address of principal executive offices)

**43271**  
 (Zip Code)

Thomas F. Godfrey  
 Vice President and Assistant General Counsel  
 JPMorgan Chase Bank, National Association  
 1 Chase Manhattan Plaza, 25<sup>th</sup> Floor  
 New York, NY 10081  
 Tel: (212) 552-2192

(Name, address and telephone number of agent for service)

**THE PNC FINANCIAL SERVICES GROUP, INC.**  
**PNC FUNDING CORP**

(Exact name of obligor as specified in its charter)

**Pennsylvania**  
**Pennsylvania**  
 (State or other jurisdiction of  
 incorporation or organization)

**25-1435979**  
**25-1234372**  
 (I.R.S. employer  
 Identification No.)

**One PNC Plaza**  
**249 Fifth Avenue**  
**Pittsburgh, Pennsylvania**  
 (Address of principal executive offices)

**15222-2707**  
 (Zip Code)

---

**Guarantees of The PNC Financial Services Group, Inc. Convertible Debt Securities**  
**Convertible Debt Securities to be issued by PNC Funding Corp.**  
 (Title of the indenture securities)

---

**GENERAL**

Item 1. General Information.

Furnish the following information as to the trustee:

- (a) Name and address of each examining or supervising authority to which it is subject.

Comptroller of the Currency, Washington, D.C.

Board of Governors of the Federal Reserve System, Washington, D.C., 20551

Federal Deposit Insurance Corporation, Washington, D.C., 20429.

- (b) Whether it is authorized to exercise corporate trust powers.

Yes.

Item 2. Affiliations with the Obligor and Guarantors.

If the obligor or any guarantor is an affiliate of the trustee, describe each such affiliation.

None.

Item 16. List of Exhibits

List below all exhibits filed as a part of this Statement of Eligibility.

1. A copy of the Articles of Association of JPMorgan Chase Bank, N.A. (see Exhibit 1 to Form T-1 filed in connection with Registration Statement No. 333-106575 which is incorporated by reference).
2. A copy of the Certificate of Authority of the Comptroller of the Currency for the trustee to commence business. (see Exhibit 2 to Form T-1 filed in connection with Registration Statement No. 333-106575 which is incorporated by reference).
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5. Not applicable.
6. The consent of the Trustee required by Section 321(b) of the Act. (see Exhibit 6 to Form T-1 filed in connection with Registration Statement No. 333-106575 which is incorporated by reference).
7. A copy of the latest report of condition of the Trustee, published pursuant to law or the requirements of its supervising or examining authority. (see Exhibit 7 to Form T-1 filed in connection with Registration Statement No. 333-106575 which is incorporated by reference).
8. Not applicable.
9. Not applicable.

**SIGNATURE**

Pursuant to the requirements of the Trust Indenture Act of 1939 the Trustee, JPMorgan Chase Bank, N.A., has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of New York and State of New York, on the 23rd day of March, 2005.

JPMORGAN CHASE BANK, N.A.

By /s/ \_\_\_\_\_ Francine Springer  
/s/ \_\_\_\_\_ Francine Springer

Exhibit 7 to Form T-1

Bank Call Notice

RESERVE DISTRICT NO. 2  
CONSOLIDATED REPORT OF CONDITION OF

JPMorgan Chase Bank, N.A.  
of 270 Park Avenue, New York, New York 10017  
and Foreign and Domestic Subsidiaries,  
a member of the Federal Reserve System,

at the close of business March 31, 2005, in  
accordance with a call made by the Federal Reserve Bank of this  
District pursuant to the provisions of the Federal Reserve Act.

ASSETS	Dollar Amounts in Millions
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	\$ 36,236
Interest-bearing balances	24,384
Securities:	
Held to maturity securities	101
Available for sale securities	60,180
Federal funds sold and securities purchased under agreements to resell	
Federal funds sold in domestic offices	39,536
Securities purchased under agreements to resell	133,265
Loans and lease financing receivables:	
Loans and leases held for sale	21,045
Loans and leases, net of unearned income	\$ 341,550
Less: Allowance for loan and lease losses	5,313
Loans and leases, net of unearned income and allowance	<b>339,000</b>
Trading Assets	236,590
Premises and fixed assets (including capitalized leases)	8,425
Other real estate owned	142
Investments in unconsolidated subsidiaries and associated companies	840
Customers' liability to this bank on acceptances outstanding	592
Intangible assets	
Goodwill	23,365
Other Intangible assets	10,259
Other assets	49,089
<b>TOTAL ASSETS</b>	<b><u>\$ 983,049</u></b>

**LIABILITIES**

Deposits In domestic offices	\$ 378,772
Noninterest-bearing	\$ 134,412
Interest-bearing	244,360
In foreign offices, Edge and Agreement subsidiaries and IBF's	155,364
Noninterest-bearing	\$ 6,701
Interest-bearing	148,663
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Federal funds purchased in domestic offices	8,918
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Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases)	78,207
Bank's liability on acceptances executed and outstanding	592
Subordinated notes and debentures	17,511
Other liabilities	38,035
<b>TOTAL LIABILITIES</b>	<b>900,035</b>
Minority Interest in consolidated subsidiaries	1,424

**EQUITY CAPITAL**

Perpetual preferred stock and related surplus	0
Common stock	1,785
Surplus (exclude all surplus related to preferred stock)	58,591
Retained earnings	21,936
Accumulated other comprehensive income .	(772)
Other equity capital components .	0
<b>TOTAL EQUITY CAPITAL</b>	<b>81,590</b>
<b>TOTAL LIABILITIES, MINORITY INTEREST, AND EQUITY CAPITAL</b>	<b>\$ 983,049</b>

I, Joseph L. Sclafani, E.V.P. & Controller of the above-named bank, do hereby declare that this Report of Condition has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true to the best of my knowledge and belief.

JOSEPH L. SCLAFANI

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the in- structions issued by the appropriate Federal regulatory authority and is true and correct.

WILLIAM B. HARRISON, JR. )  
 JAMES DIMON ) DIRECTORS  
 MICHAEL J. CAVANAGH )