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

FORM 10-Q

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

For the quarterly period ended September 30, 2011

Commission File Number 1-6926

C. R. BARD, INC.

(Exact name of registrant as specified in its charter)

New Jersey
(State of incorporation)

730 Central Avenue
Murray Hill, New Jersey 07974
(Address of principal
executive offices)

22-1454160
(I.R.S. Employer
Identification No.)

Registrant's telephone number, including area code: (908) 277-8000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

(Do not check if smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

<u>Class</u>	<u>Outstanding at September 30, 2011</u>
Common Stock - \$0.25 par value	85,782,427

C. R. BARD, INC. AND SUBSIDIARIES

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

C. R. BARD, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(dollars in thousands except per share amounts, unaudited)

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Net sales	\$719,200	\$678,400	\$2,144,500	\$2,003,100
Costs and expenses:				
Cost of goods sold	274,900	251,900	815,200	756,300
Marketing, selling and administrative expense	189,300	185,900	580,400	555,100
Research and development expense	46,900	47,500	141,800	133,200
Interest expense	9,000	3,200	27,100	8,900
Other (income) expense, net	17,000	6,700	211,200	8,700
Total costs and expenses	537,100	495,200	1,775,700	1,462,200
Income from operations before income taxes	182,100	183,200	368,800	540,900
Income tax provision	52,000	55,700	154,600	167,500
Net income	130,100	127,500	214,200	373,400
Net income attributable to noncontrolling interest	—	—	—	400
Net income attributable to common shareholders	\$130,100	\$127,500	\$ 214,200	\$ 373,000
Basic earnings per share available to common shareholders	\$ 1.48	\$ 1.35	\$ 2.44	\$ 3.91
Diluted earnings per share available to common shareholders ...	\$ 1.46	\$ 1.34	\$ 2.40	\$ 3.86

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

C. R. BARD, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(dollars in thousands except share and per share amounts, unaudited)

	<u>September 30,</u> <u>2011</u>	<u>December 31,</u> <u>2010</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 767,000	\$ 641,400
Restricted cash	200,300	—
Accounts receivable, less allowances of \$6,700 and \$10,500, respectively	476,500	460,800
Inventories	329,800	308,900
Short-term deferred tax assets	42,000	42,700
Other current assets	84,600	75,500
Total current assets	<u>1,900,200</u>	<u>1,529,300</u>
Property, plant and equipment, at cost	654,600	598,800
Less accumulated depreciation and amortization	<u>313,400</u>	<u>270,900</u>
Net property, plant and equipment	341,200	327,900
Goodwill	614,500	607,400
Core technologies, net	368,800	397,500
Other intangible assets, net	141,300	142,800
Deferred tax assets	90,800	78,400
Other assets	82,500	88,200
Total assets	<u>\$3,539,300</u>	<u>\$3,171,500</u>
LIABILITIES AND SHAREHOLDERS' INVESTMENT		
Current liabilities		
Short-term borrowings	\$ —	\$ 80,500
Accounts payable	78,900	51,400
Accrued expenses	289,500	142,300
Accrued compensation and benefits	110,800	121,600
Income taxes payable	28,200	1,900
Total current liabilities	<u>507,400</u>	<u>397,700</u>
Long-term debt	908,900	896,900
Other long-term liabilities	258,000	230,400
Deferred income taxes	16,000	15,000
Commitments and contingencies	—	—
Shareholders' investment:		
Preferred stock, \$1 par value, authorized 5,000,000 shares; none issued	—	—
Common stock, \$0.25 par value, authorized 600,000,000 shares; issued and outstanding 85,782,427 shares at September 30, 2011 and 84,973,586 shares at December 31, 2010	21,500	21,300
Capital in excess of par value	1,324,600	1,146,400
Retained earnings	517,400	520,000
Accumulated other comprehensive loss	(14,500)	(56,200)
Total shareholders' investment	<u>1,849,000</u>	<u>1,631,500</u>
Total liabilities and shareholders' investment	<u>\$3,539,300</u>	<u>\$3,171,500</u>

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

C. R. BARD, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' INVESTMENT
(dollars in thousands except share amounts, unaudited)

	Common Stock		Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comp. (Loss) Inc.	Noncontrolling Interest	Total
	Shares	Amount					
Balance at December 31, 2010	84,973,586	\$21,300	\$1,146,400	\$ 520,000	\$(56,200)	\$ —	\$1,631,500
Net income	—	—	—	214,200	—	—	214,200
Change in derivative instruments designated as cash flow hedges (net of \$2,300 taxes)	—	—	—	—	(4,100)	—	(4,100)
Foreign currency translation adjustment	—	—	—	—	41,900	—	41,900
Amortization of items included in net periodic benefit cost (net of \$2,100 taxes)	—	—	—	—	3,900	—	3,900
Total comprehensive income							255,900
Cash dividends declared in current year	—	—	—	(32,700)	—	—	(32,700)
Issuance of common stock	2,091,841	500	104,700	—	—	—	105,200
Share-based compensation	—	—	36,500	—	—	—	36,500
Purchase of common stock	(1,283,000)	(300)	10,200	(184,100)	—	—	(174,200)
Tax benefit relating to share-based compensation plans	—	—	26,800	—	—	—	26,800
Balance at September 30, 2011	85,782,427	\$21,500	\$1,324,600	\$ 517,400	\$(14,500)	\$ —	\$1,849,000
Balance at December 31, 2009	95,917,095	\$24,000	\$1,060,900	\$1,133,400	\$(24,700)	\$ 12,300	\$2,205,900
Net income	—	—	—	373,000	—	400	373,400
Change in derivative instruments designated as cash flow hedges (net of \$1,000 taxes)	—	—	—	—	2,200	—	2,200
Foreign currency translation adjustment	—	—	—	—	(60,100)	—	(60,100)
Amortization of items included in net periodic benefit cost (net of \$1,900 taxes)	—	—	—	—	3,400	—	3,400
Total comprehensive income							318,900
Cash dividends declared in current year	—	—	—	(33,400)	—	—	(33,400)
Issuance of common stock	698,250	100	21,600	—	—	—	21,700
Share-based compensation	—	—	38,700	—	—	—	38,700
Purchase of common stock	(3,712,700)	(900)	—	(301,100)	—	—	(302,000)
Tax benefit relating to share-based compensation plans	—	—	7,200	—	—	—	7,200
Purchase of noncontrolling interest	—	—	(13,200)	—	—	(12,700)	(25,900)
Balance at September 30, 2010	92,902,645	\$23,200	\$1,115,200	\$1,171,900	\$(79,200)	\$ —	\$2,231,100

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

C. R. BARD, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in thousands, unaudited)

	Nine Months Ended September 30,	
	2011	2010
Cash flows from operating activities:		
Net income	\$ 214,200	\$ 373,400
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	84,400	77,300
Purchased research and development	3,500	500
Restructuring, net of payments	7,800	—
Impairment charge for foreign government bonds	7,000	—
Legal settlements and commitments, net of payments	184,800	—
Deferred income taxes	(12,200)	(9,100)
Share-based compensation	36,700	39,000
Inventory reserves and provision for doubtful accounts	10,900	14,400
Other noncash items	(2,100)	(1,900)
Changes in assets and liabilities:		
Accounts receivable	(14,300)	(9,700)
Inventories	(19,800)	(38,300)
Current liabilities	2,000	19,600
Taxes	36,600	(8,500)
Other, net	9,900	7,000
Net cash provided by operating activities	549,400	463,700
Cash flows from investing activities:		
Capital expenditures	(49,900)	(33,300)
Change in restricted cash	(200,300)	—
Payments made for purchases of businesses, net of cash acquired	—	(286,100)
Payments made for intangibles	(16,600)	(3,600)
Net cash used in investing activities	(266,800)	(323,000)
Cash flows from financing activities:		
Change in short-term borrowings, net	(80,500)	216,000
Purchase of noncontrolling interest	—	(25,900)
Proceeds from exercises under share-based compensation plans, net	96,100	13,100
Excess tax benefit relating to share-based compensation plans	23,800	6,800
Purchase of common stock	(155,100)	(297,600)
Dividends paid	(48,200)	(49,900)
Other	(2,200)	(5,200)
Net cash used in financing activities	(166,100)	(142,700)
Effect of exchange rate changes on cash and cash equivalents	9,100	(10,200)
Increase (decrease) in cash and cash equivalents during the period	125,600	(12,200)
Balance at January 1	641,400	674,400
Balance at September 30	\$ 767,000	\$ 662,200
Supplemental cash flow information		
Cash paid for:		
Interest	\$ 20,100	\$ 6,300
Income taxes	106,400	177,500
Non-cash transactions:		
Purchase of common stock not settled	\$ 19,100	\$ 4,400
Receipt of foreign government bonds	16,800	—
Purchase of business and related costs	—	5,700

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

C. R. BARD, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of C. R. Bard, Inc. and its subsidiaries (the “company” or “Bard”) should be read in conjunction with the audited consolidated financial statements and notes thereto included in Bard’s 2010 Annual Report on Form 10-K. These financial statements have been prepared on a basis that is substantially consistent with the accounting principles applied in Bard’s 2010 Annual Report on Form 10-K. The preparation of these financial statements requires the company to make estimates and judgments that affect reported amounts of assets, liabilities, revenues and expenses and the related disclosure of contingent assets and liabilities at the date of the financial statements. These financial statements include all normal and recurring adjustments necessary for a fair presentation. The accounts of most foreign subsidiaries are consolidated as of and for the quarters ended August 31, 2011 and August 31, 2010 and as of November 30, 2010. No events occurred related to these foreign subsidiaries during the months of September 2011 (other than the impact of the impairment of the Greek bonds), September 2010 or December 2010 that materially affected the financial position or results of operations of the company. The results for the interim periods presented are not necessarily indicative of the results expected for the year.

New Accounting Pronouncements Not Yet Adopted

In June 2011, the Financial Accounting Standards Board issued a new statement that eliminates the current option to report other comprehensive income and its components in the consolidated statements of shareholders’ investment. Under this statement, the company can elect to present items of net income and other comprehensive income in one continuous statement or in two separate, but consecutive statements. This statement will be effective as of the beginning of Bard’s 2012 fiscal year and will be retrospectively applied to all prior periods presented.

2. Acquisitions and Initiatives

On September 20, 2011, the company and ClearStream Technologies Group plc (“ClearStream”) entered into an agreement pursuant to which a subsidiary of Bard made a cash offer of 85 pence per share to acquire all of the outstanding shares of ClearStream, subject to certain conditions. The total cash consideration to be paid to ClearStream’s shareholders, assuming the offer is fully accepted, is approximately \$68 million. ClearStream, based in Enniscorthy, Co. Wexford, Ireland, is a company that develops and sells proprietary products used in angioplasty. The acquisition complements Bard’s core competencies and enhances Bard’s vascular product portfolio. In connection with the offer, and in order to satisfy local rules in Ireland governing transactions of this type, a subsidiary of Bard deposited \$83.7 million into a segregated account in order to ensure the availability of funds to be paid to ClearStream’s shareholders at closing. These funds are recorded as a component of restricted cash at September 30, 2011. The company acquired a controlling interest in ClearStream in October 2011 and expects to complete the acquisition in the fourth quarter of 2011. The company has not yet completed the initial purchase accounting due to the timing of this acquisition.

On December 15, 2010, the company entered into an accelerated share repurchase (“ASR”) agreement with a bank to repurchase \$750 million of the company’s outstanding common stock. The company received 8.1 million shares upon initial settlement under the ASR transaction. The initial settlement was subject to an adjustment related to a forward purchase contract based on the volume-weighted average share price of the company’s common stock during a predetermined period, less a discount. On September 9, 2011, the company remitted a cash payment of \$58.9 million to the bank counterparty upon final settlement under the ASR agreement. The payment to the bank was recorded as a decrease to shareholders’ investment, consisting of a decrease of \$69.1 million in retained earnings and an increase of \$10.2 million in capital in excess of par value.

C. R. BARD, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

3. Restructuring

During the third quarter of 2011, the company initiated certain restructuring actions in order to improve its overall cost structure and enhance operational effectiveness. In connection with these actions, the company recorded employee separation costs under the company’s existing severance programs of \$10.3 million (\$6.9 million after tax). Substantially all of these costs will be cash expenditures. At September 30, 2011, the remaining liability related to this restructuring charge was \$9.2 million, which reflects cash payments of \$1.1 million. The company expects activities under these actions to be substantially complete by mid-2012.

On December 9, 2010, the company committed to a plan (the “2010 Restructuring Plan”) to improve its overall cost structure and enhance operational effectiveness. The 2010 Restructuring Plan included the realignment of certain manufacturing, sales and marketing, and administrative functions. In connection with this plan, the company recorded employee separation costs under the company’s existing severance programs and other costs related to one-time employee termination benefits of \$16.7 million (\$11.4 million after tax) in the fourth quarter of 2010. At September 30, 2011, the remaining liability related to this restructuring charge was \$2.3 million, which reflects cash payments of \$13.0 million and a reversal of \$1.4 million of these costs. The company expects activities under the 2010 Restructuring Plan to be substantially complete by the end of 2011.

4. Earnings per Common Share

Earnings per share (“EPS”) is computed under the two-class method using the following common share information:

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
(dollars and shares in millions)				
EPS Numerator:				
Net income attributable to common shareholders	\$130.1	\$127.5	\$214.2	\$373.0
Less: Income allocated to participating securities	2.3	1.3	4.0	4.1
Net income available to common shareholders	\$127.8	\$126.2	\$210.2	\$368.9
EPS Denominator:				
Weighted average common shares outstanding	86.6	93.3	86.0	94.4
Dilutive common share equivalents from share-based compensation plans . . .	1.2	1.0	1.7	1.1
Weighted average common and common equivalent shares outstanding, assuming dilution	87.8	94.3	87.7	95.5

5. Income Taxes

The effective tax rate for the quarter ended September 30, 2011 was approximately 29% compared to approximately 30% for the same period in 2010. The effective tax rate for the nine months ended September 30, 2011 was approximately 42% compared to approximately 31% for the same period in 2010. The higher tax rate for the current year-to-date period reflected the discrete tax effect of a charge for legal settlements, primarily related to the Hernia Product Claims (see Note 8 of the notes to the condensed financial statements), which were incurred in a low tax jurisdiction. The effective tax rate for both prior year periods reflected the discrete tax effect of a charge of \$5.6 million associated with a cash repatriation of approximately \$62 million of earnings from operations in certain foreign jurisdictions as a result of tax legislation enacted in the third quarter of 2010. The \$5.6 million charge was

C. R. BARD, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

partially offset by the discrete tax effect of \$4.2 million associated with certain tax positions being remeasured as a result of new information related to the U.S. Internal Revenue Service examinations of the tax years 2003 and 2004.

At September 30, 2011, the total amount of liability for unrecognized tax benefits related to federal, state and foreign taxes was \$49.6 million (of which \$47.5 million would impact the effective tax rate, if recognized) plus \$7.7 million of accrued interest. At December 31, 2010, the liability for unrecognized tax benefits was \$53.6 million plus \$11.4 million of accrued interest. Depending upon open tax examinations and/or the expiration of applicable statutes of limitation, the company believes it is reasonably possible that the total amount of unrecognized tax benefits may decrease by up to \$19.0 million within the next 12 months.

6. Financial Instruments

Foreign Exchange Derivative Instruments

The company enters into readily marketable forward and option contracts with financial institutions to help reduce its exposure to foreign currency exchange rate fluctuations. These contracts limit volatility because gains and losses associated with foreign currency exchange rate movements are generally offset by movements in the underlying hedged item. The notional value of the company's forward currency and option currency contracts was \$233.8 million and \$182.7 million at September 30, 2011 and December 31, 2010, respectively. For further discussion regarding the company's use of derivative instruments, see Note 1 of the consolidated financial statements in Bard's 2010 Annual Report on Form 10-K.

Interest Rate Derivative Instrument

The company's outstanding interest rate swap contract effectively converts its 2.875% fixed-rate notes due 2016 to a floating-rate instrument. The notional value of this interest rate swap contract is \$250.0 million.

The location and fair values of derivative instruments segregated between those derivatives that are designated as hedging instruments and those that are not designated as hedging instruments recognized in the condensed consolidated balance sheets are as follows:

<u>Derivatives Designated as Hedging Instruments</u>	<u>Balance Sheet Location</u>	<u>Fair Value of Derivatives</u>	
		<u>September 30, 2011</u>	<u>December 31, 2010</u>
<i>(dollars in millions)</i>			
Forward currency contracts	Other current assets	\$ 1.2	\$ 2.8
Option currency contracts	Other current assets	1.9	1.5
Forward currency contracts	Other assets	0.4	—
Option currency contracts	Other assets	0.6	—
Interest rate swap contract	Other assets	12.4	0.7
		<u>\$16.5</u>	<u>\$ 5.0</u>
Forward currency contracts	Accrued expenses	\$ 5.0	\$ 1.1
Forward currency contracts	Long-term liabilities	1.6	—
		<u>\$ 6.6</u>	<u>\$ 1.1</u>
 <u>Derivatives Not Designated as Hedging Instruments</u>			
<i>(dollars in millions)</i>			
Forward currency contracts	Other current assets	\$ 1.3	\$ —
Forward currency contracts	Other assets	—	1.8
		<u>\$ 1.3</u>	<u>\$ 1.8</u>

C. R. BARD, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The location and amounts of gains and losses on derivative instruments designated as cash flow hedges and the impact on the condensed consolidated statements of shareholders' investment are as follows:

	Gain/(Loss) Recognized in Other Comprehensive Income		Location of Gain/(Loss) Reclassified from Accumulated Other Comp. Loss to Income	Gain/(Loss) Reclassified from Accumulated Other Comp. Loss to Income	
	Quarter Ended September 30,			Quarter Ended September 30,	
	2011	2010		2011	2010
(dollars in millions)					
Forward currency contracts	\$ (4.3)	\$ (0.1)	Costs of goods sold	\$ (0.1)	\$ 0.8
Option currency contracts	0.2	(1.5)	Costs of goods sold	—	0.1
	<u>\$ (4.1)</u>	<u>\$ (1.6)</u>		<u>\$ (0.1)</u>	<u>\$ 0.9</u>
	Gain/(Loss) Recognized in Other Comprehensive Income		Location of Gain/(Loss) Reclassified from Accumulated Other Comp. Loss to Income	Gain/(Loss) Reclassified from Accumulated Other Comp. Loss to Income	
	Nine Months Ended September 30,			Nine Months Ended September 30,	
	2011	2010		2011	2010
(dollars in millions)					
Forward currency contracts	\$ (4.2)	\$ 0.5	Costs of goods sold	\$ 0.8	\$ (0.3)
Option currency contracts	0.1	1.7	Costs of goods sold	—	—
	<u>\$ (4.1)</u>	<u>\$ 2.2</u>		<u>\$ 0.8^(A)</u>	<u>\$ (0.3)^(A)</u>

(A) The tax effect of the amount reclassified from accumulated other comprehensive loss to income was \$0.7 million and \$0.2 million at September 30, 2011 and 2010, respectively.

The location and amounts of gains and losses on the derivative instrument designated as a fair value hedge are as follows:

	Income Statement Location	Gain Recognized on Swap		(Loss) Recognized on Long-Term Debt	
		Quarter Ended September 30,	Nine Months Ended September 30,	Quarter Ended September 30,	Nine Months Ended September 30,
		2011	2011	2011	2011
(dollars in millions)					
Interest rate swap contract	Interest expense	<u>\$7.7</u>	<u>\$11.7</u>	<u>\$ (7.7)</u>	<u>\$ (11.7)</u>

The location and amounts of gains and losses on derivative instruments not designated as hedging instruments are as follows:

	Income Statement Location	(Loss) Recognized in Earnings	
		Quarter Ended September 30,	Nine Months Ended September 30,
		2011	2011
(dollars in millions)			
Forward currency contracts ^(A)	Other (income) expense, net	<u>\$ (5.1)</u>	<u>\$ (0.5)</u>

(A) These derivative contracts mitigate changes in the value of remeasured foreign currency denominated monetary loans attributable to changes in foreign currency exchange rates.

C. R. BARD, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Financial Instruments Measured at Fair Value on a Recurring Basis

Fair value is defined as the exit price that would be received to sell an asset or paid to transfer a liability. Fair value is a market-based measurement that should be determined using assumptions that market participants would use in pricing an asset or liability. The fair value guidance establishes a three-level hierarchy to prioritize the inputs used in measuring fair value. The levels within the hierarchy range from Level 1 having the highest priority to Level 3 having the lowest.

The following table summarizes financial assets and (liabilities) measured at fair value on a recurring basis:

	September 30, 2011	December 31, 2010
<i>(dollars in millions)</i>		
Greek government bonds	\$12.3	\$ —
Forward currency contracts	(3.7)	3.5
Option currency contracts	2.5	1.5
Interest rate swap contract	12.4	0.7

The fair values were measured using significant other observable inputs and valued by reference to similar financial instruments, adjusted for restrictions and other terms specific to each instrument. All of these financial instruments are categorized as Level 2 under the fair value hierarchy.

Financial Instruments not Measured at Fair Value

There were no outstanding short-term borrowings, including commercial paper borrowings, at September 30, 2011. The fair value of commercial paper borrowings of \$80.5 million at December 31, 2010 approximated its carrying value. On October 12, 2011, the company entered into a new \$600 million five-year committed syndicated bank credit facility that expires in October 2016. The new credit facility replaces the company's existing \$400 million five-year credit agreement that was scheduled to mature in June 2012. The credit facilities support the company's commercial paper program and can be used for general corporate purposes. The facilities include pricing based on the company's long-term credit rating and include a financial covenant that limits the amount of total debt to total capitalization.

The estimated fair value of long-term debt, including the effect of the related interest rate swap contract, was \$997.9 million and \$937.7 million at September 30, 2011 and December 31, 2010, respectively. The fair value was estimated using dealer quotes for similarly-rated debt instruments over the remaining contractual term of the company's obligation. Long-term debt is categorized as Level 2 under the fair value hierarchy.

Concentration Risk

Accounts receivable balances include sales to government-supported healthcare systems outside the United States. The company continues to monitor sovereign debt issues and economic conditions in Greece, Italy, Spain, Portugal and other countries in Europe and evaluates accounts receivable in these countries for potential collection risks. Deteriorating credit and economic conditions and other factors in these countries have resulted in, and may continue to result in, an increase in the average length of time that it takes to collect these accounts receivable and may require the company to re-evaluate the collectability of these receivables in future periods.

The company is experiencing significant delays in the collection of accounts receivable associated with the national healthcare system in Greece, which amounted to \$13.9 million and \$32.8 million, at September 30, 2011 and December 31, 2010, respectively. The Greek government adopted as law in August 2010 a plan to settle its

C. R. BARD, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

outstanding debts from 2007 through 2009, primarily by issuing non-interest bearing bonds with maturities of one to three years. As of September 30, 2011, the company had received \$16.8 million of bonds, net of discount, in settlement of 2007 through 2009 accounts receivable. These bonds are classified as available-for-sale investments and reported at fair value. During the quarter ended September 30, 2011, the company recorded to other (income) expense, net, a charge of \$7.0 million related to an other-than-temporary impairment of these bonds.

7. Inventories

Inventories consisted of:

	September 30, 2011	December 31, 2010
(dollars in millions)		
Finished goods	\$197.1	\$176.3
Work in process	23.0	18.6
Raw materials	109.7	114.0
	\$329.8	\$308.9

8. Contingencies

General

In the ordinary course of business, the company is subject to various legal proceedings and claims, including, for example, product liability matters, environmental matters, employment disputes, disputes on agreements and other commercial disputes. In addition, the company operates in an industry susceptible to significant patent legal claims. The company accounts for estimated losses with respect to legal proceedings and claims when such losses are probable and reasonably estimable. Legal costs associated with these matters are expensed as incurred. At any given time, in the ordinary course of business, the company is involved as either a plaintiff or defendant in a number of patent infringement actions. If a third party's patent infringement claim were to be determined against the company, the company might be required to make significant royalty or other payments or might be subject to an injunction or other limitation on its ability to manufacture or distribute one or more products. If a patent owned by or licensed to the company were to be determined to be invalid or unenforceable, the company might be required to reduce the value of the patent on the company's balance sheet and to record a corresponding charge, which could be significant in amount. The company believes that any of these proceedings and claims could have a material adverse effect on its business, results of operations, financial condition and/or liquidity.

Product Liability Matters

As of October 20, 2011, approximately 1,910 federal and 1,720 state lawsuits involving individual claims by approximately 3,770 plaintiffs, as well as two putative class actions in the United States and four putative class actions in various Canadian provinces, have been filed or asserted against the company with respect to its Composix® Kugel® and certain other hernia repair implant products (collectively, the "Hernia Product Claims"). One of the U.S. class action lawsuits consolidates ten previously-filed U.S. class action lawsuits. The putative class actions, none of which has been certified, seek (i) medical monitoring, (ii) compensatory damages, (iii) punitive damages, (iv) a judicial finding of defect and causation and/or (v) attorneys' fees. Approximately 1,695 of the state lawsuits, involving individual claims by a substantially equivalent number of plaintiffs, are pending in the Superior Court of the State of Rhode Island, with the remainder in various other jurisdictions. The Hernia Product Claims also generally seek damages for personal injury resulting from use of the products. The company voluntarily recalled certain sizes and lots of the Composix® Kugel® products beginning in December 2005.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

In June 2007, the Judicial Panel on Multidistrict Litigation (“JPML”) transferred Composix® Kugel® lawsuits pending in federal courts nationwide into one Multidistrict Litigation (“MDL”) for coordinated pre-trial proceedings in the United States District Court for the District of Rhode Island. The MDL court subsequently determined to include other hernia repair products of the company in the MDL proceeding. The first MDL trial was completed in April 2010 and resulted in a judgment for the company based on the jury’s finding that the company was not liable for the plaintiff’s damages. The second MDL trial was completed in August 2010 and resulted in a judgment for the plaintiff of \$1.5 million. On June 30, 2011, the company announced that it had reached agreements in principle with various plaintiffs’ law firms to settle the majority of its existing Hernia Product Claims. Each agreement is subject to certain conditions, including requirements for participation in the proposed settlements by a certain minimum number of plaintiffs. In addition, the company is engaging in discussions with other plaintiffs’ law firms regarding potential resolution of unsettled Hernia Product Claims, and intends to vigorously defend Hernia Product Claims that do not settle, including through litigation. Based on these events, the company recorded to other (income) expense, net, a charge of \$184.3 million (\$180.6 million after tax) in the second quarter of 2011, which recognized the estimated costs of settling all Hernia Product Claims, including asserted and unasserted claims, and costs to administer the settlements. The charge excludes any costs associated with pending putative class action lawsuits. The company cannot give any assurances that the actual costs incurred with respect to the Hernia Product Claims will not exceed the amount of the charge together with amounts previously accrued. The company cannot give any assurances that the resolution of the Hernia Product Claims that have not settled, including asserted and unasserted claims and the putative class action lawsuits, will not have a material adverse effect on the company’s business, results of operations, financial condition and/or liquidity. For more information, see Item 1A. “Risk Factors” in Bard’s 2010 Annual Report on Form 10-K.

As of October 20, 2011, product liability lawsuits involving individual claims by approximately 280 plaintiffs have been filed or asserted against the company in various federal and state jurisdictions alleging personal injuries associated with the use of certain of the company’s surgical continence products for women, principally its Avaulta® line of products (collectively, the “Women’s Health Product Claims”). The Women’s Health Product Claims generally seek damages for personal injury resulting from use of the products. With respect to certain of these claims, the company believes that one of its suppliers has an obligation to defend and indemnify the company. In October 2010, the JPML transferred the Women’s Health Product Claims involving solely Avaulta® products pending in federal courts nationwide into an MDL for coordinated pre-trial proceedings in the United States District Court for the Southern District of West Virginia. In October 2011, the JPML ordered that 35 lawsuits involving other women’s surgical continence products of the company be transferred to the pending MDL in West Virginia. In total, approximately 150 of the Women’s Health Product Claims are pending in federal courts and have been or will be transferred to the MDL in West Virginia, with the remainder of the Women’s Health Product Claims in other jurisdictions. While the company intends to vigorously defend the Women’s Health Product Claims, it cannot give any assurances that the resolution of these claims will not have a material adverse effect on the company’s business, results of operations, financial condition and/or liquidity.

As of October 20, 2011, product liability lawsuits involving individual claims by approximately 40 plaintiffs have been filed or asserted against the company in various federal and state jurisdictions alleging personal injuries associated with the use of the company’s vena cava filter products. In addition, a putative class action lawsuit has been filed against the company in California state court on behalf of plaintiffs who are alleged to have no present injury (all lawsuits, collectively, the “Filter Product Claims”). The putative class action, which has not been certified, seeks: (i) medical monitoring; (ii) punitive damages; (iii) a judicial finding of defect and causation; and/or (iv) attorneys’ fees. While the company intends to vigorously defend the Filter Product Claims, it cannot give any assurances that the resolution of these claims will not have a material adverse effect on the company’s business, results of operations, financial condition and/or liquidity.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

In most product liability litigations of this nature, including the Hernia Product Claims, the Women's Health Product Claims and the Filter Product Claims, plaintiffs allege a wide variety of claims, ranging from allegations of serious injury caused by the products to efforts to obtain compensation notwithstanding the absence of any injury. In many of these cases, the company has not yet received and reviewed complete information regarding the plaintiffs and their medical conditions, and consequently, is unable to fully evaluate the claims. The company expects that it will receive and review additional information regarding the unsettled Hernia Product Claims, the Women's Health Product Claims, the Filter Product Claims and related matters as these cases progress.

The company believes that many settlements and judgments, as well as legal defense costs, relating to product liability matters are or may be covered in whole or in part under its product liability insurance policies with a limited number of insurance carriers. In certain circumstances, insurance carriers reserve their rights with respect to coverage, or contest or deny coverage, as has occurred with respect to certain claims. When this occurs, the company intends to vigorously contest disputes with respect to its insurance coverage and to enforce its rights under the terms of its insurance policies, and accordingly, may record receivables with respect to amounts due under these policies. Amounts recovered under the company's product liability insurance policies may be less than the stated coverage limits and may not be adequate to cover damages and/or costs relating to claims. In addition, there is no guarantee that insurers will pay claims or that coverage will otherwise be available.

In connection with the Hernia Product Claims, the company is in dispute with one of its excess insurance carriers relating to an aggregate of \$25 million of insurance coverage. Regardless of the outcome of this dispute, the company's insurance coverage with respect to the Hernia Product Claims has been depleted.

Other Legal Matters

In November 2006, the company received a subpoena issued by the U.S. Department of Health and Human Services, Office of Inspector General, under the authority of the federal healthcare fraud and false claims statutes. The subpoena seeks documents related to the company's brachytherapy business. The company has responded to the subpoena and is cooperating with the government in this matter. Although the company continues to engage in discussions with representatives of the civil and criminal divisions of the United States Attorney's Office for the Northern District of Georgia with respect to a potential resolution of this matter, the company cannot give any assurances that a resolution will be reached or what the terms of any such resolution may be. At this time, it is not possible to determine an estimate, or a range of estimates, of potential damages. In addition, the company cannot give any assurances that this matter will not have a material adverse effect on the company's business, results of operations, financial condition and/or liquidity.

On February 21, 2007, Southeast Missouri Hospital ("Southeast") filed a putative class action complaint on behalf of itself and all others similarly situated against the company and another manufacturer, Tyco International, Inc., which was subsequently dismissed from the action. The complaint was later amended to add St. Francis Medical Center ("St. Francis") as an additional named plaintiff. The action was re-named as *St. Francis Medical Center, et al. v. C. R. Bard, Inc., et al.* (Civil Action No. 1:07-cv-00031, United States District Court, Eastern District of Missouri, Southeastern District) when the court denied Southeast's motion to serve as a class representative and dismissed Southeast from the lawsuit. In September 2008, the court granted St. Francis's motion for class certification and determined the measurement period for any potential damages. St. Francis alleges that the company conspired to exclude competitors from the urological catheter market and that the company sought to maintain market share by engaging in conduct in violation of state and federal antitrust laws. St. Francis seeks injunctive relief and presented an expert report that calculates damages of up to approximately \$320 million, a figure that the company believes is unsupported by the facts. The company's expert report

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

establishes that, even assuming a determination adverse to the company, the plaintiffs suffered no damages. In September 2009, the District Court granted the company's summary judgment motion and dismissed with prejudice all counts in this action. St. Francis appealed the Court's decision to the Eighth Circuit Court of Appeals ("Court of Appeals"). In August 2010, the Court of Appeals affirmed the decision of the District Court. In October 2010, the Court of Appeals granted St. Francis's request for a re-hearing of its appeal. In June 2011, the Court of Appeals again affirmed the decision of the District Court. St. Francis filed another request for a re-hearing of its appeal to the Court of Appeals, which was denied in August 2011. St. Francis may request a review of the decision by the U.S. Supreme Court. If St. Francis continues to pursue this case, the company intends to defend this matter vigorously. If St. Francis is ultimately successful, any damages awarded under the federal antitrust laws will be subject to statutory trebling and St. Francis's attorneys would be entitled to an award of reasonable fees and costs. At this time, it is not possible to assess the likelihood of an adverse outcome or determine an estimate, or a range of estimates, of potential damages. The company cannot give any assurances that this matter will not have a material adverse effect on the company's business, results of operations, financial condition and/or liquidity.

In December 2007, a U.S. District Court jury in Arizona found that certain of W.L. Gore & Associates Inc.'s ("Gore") ePTFE vascular grafts and stent-grafts infringe the company's patent number 6,436,135. The jury upheld the validity of the patent and awarded the company \$185 million in past damages. The jury also found that Gore willfully infringed the patent. In a second phase of the trial, the Court ruled that Gore failed to prove that the patent is unenforceable due to inequitable conduct. In March 2009, the U.S. District Court doubled the jury award to approximately \$371 million for damages through June 2007. The Court also awarded the company attorneys' fees of \$19 million and prejudgment interest of approximately \$20 million. In addition, the Court denied Gore's remaining motions, including its motions for a new trial and to set aside the jury's verdict. In July 2010, the U.S. District Court awarded the company approximately \$109 million in additional damages for the period from July 2007 through March 2009. The Court also assessed a royalty rate of between 12.5% and 20%, depending on the product, that will be used to calculate damages for Gore's infringing sales from April 2009 through the expiration of the patent. Gore made additional deposits with the Court of approximately \$264 million, representing Gore's calculation of royalties for its infringing sales through June 2011. Gore has appealed this matter to the Court of Appeals for the Federal Circuit and oral argument was heard on May 3, 2011. Because the company considers this matter a gain contingency, no amounts have been recorded as of September 30, 2011. Even if the company is ultimately successful in this lawsuit, it cannot give any assurances that royalties for Gore's future infringing sales will remain at or near historic levels.

The company is subject to numerous federal, state, local and foreign environmental protection laws governing, among other things, the generation, storage, use and transportation of hazardous materials and emissions or discharges into the ground, air or water. The company is or may become a party to proceedings brought under various federal laws including the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), commonly known as Superfund, the Resource Conservation and Recovery Act, the Clean Water Act, the Clean Air Act and similar state laws. These proceedings seek to require the owners or operators of contaminated sites, transporters of hazardous materials to the sites and generators of hazardous materials disposed of at the sites to clean up the sites or to reimburse the government for cleanup costs. In most cases, there are other potentially responsible parties that may be liable for any remediation costs. In these cases, the government alleges that the defendants are jointly and severally liable for the cleanup costs; however, these proceedings are frequently resolved so that the allocation of cleanup costs among the parties more closely reflects the relative contributions of the parties to the site contamination. The company's potential liability varies greatly from site to site. For some sites, the potential liability is de minimis and for others the costs of cleanup have not yet been determined. Accruals for estimated losses from environmental remediation obligations generally are recognized no later than completion of the remedial feasibility study and are adjusted as further information

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

develops or circumstances change. Costs of future expenditures for environmental remediation obligations are not discounted to their present value. Recoveries of environmental remediation costs from other parties are recorded as assets when their receipt is deemed probable. The company believes that the proceedings and claims described above will likely be resolved over an extended period of time. While it is not feasible to predict the outcome of these proceedings, based upon the company's experience, current information and applicable law, the company does not expect these proceedings to have a material adverse effect on its financial condition and/or liquidity. However, one or more of the proceedings could be material to the company's business and/or results of operations.

The company is unable to estimate the reasonably possible losses or range of losses, if any, arising from product liability matters and other legal matters. Under U.S. generally accepted accounting principles, an event is "reasonably possible" if "the chance of the future event or events occurring is more than remote but less than likely" and an event is "remote" if "the chance of the future event or events occurring is slight". With respect to the Women's Health Product Claims, the Filter Product Claims and the putative class action lawsuits that are part of the Hernia Product Claims, the company is unable to estimate a range of reasonably possible losses for the following reasons: (i) the proceedings are in early stages; (ii) the company has not received and reviewed complete information regarding the plaintiffs and their medical conditions; and/or (iii) there are significant factual issues to be resolved. In addition, with respect to the putative class action lawsuits that are part of the Hernia Product Claims and the Filter Product Claims, there is uncertainty as to the likelihood of a class being certified or the ultimate size of the class.

The company regularly monitors and evaluates the status of product liability and other legal matters, and may from time-to-time engage in settlement and mediation discussions taking into consideration developments in the matters and the risks and uncertainties surrounding litigation. These discussions could result in settlements of one or more of these claims at any time.

Accruals for product liability and other legal matters amounted to \$241.6 million and \$54.4 million at September 30, 2011 and December 31, 2010, respectively. On July 13, 2011, the company made a payment of \$116.6 million to an escrow account, subject to certain settlement conditions, for certain of these claims. This payment is recorded as a component of restricted cash at September 30, 2011. The company also has receivables from insurance companies amounting to \$51.8 million and \$54.6 million at September 30, 2011 and December 31, 2010, respectively, of which \$25 million, at September 30, 2011, is the subject of a dispute with an excess insurance carrier, as noted above. After considering the nature of the claims, coverage provisions under the policies, relevant legal issues, the advice and judgment of outside legal counsel, and other pertinent factors, the company believes its claims are meritorious and that it will collect these receivables.

9. Share-Based Compensation Plans

The company may grant a variety of share-based payments under the 2003 Long Term Incentive Plan of C. R. Bard, Inc., as amended and restated (the "2003 Plan"), and the 2005 Directors' Stock Award Plan of C. R. Bard, Inc., as amended and restated (the "Directors' Plan"), to certain directors, officers and employees. The total number of remaining shares at September 30, 2011 that may be issued under the 2003 Plan was 4,439,077 and under the Directors' Plan was 58,366. Awards under the 2003 Plan may be in the form of stock options, stock appreciation rights, limited stock appreciation rights, restricted stock, unrestricted stock and other stock-based awards. Awards under the Directors' Plan may be in the form of stock awards, stock options or stock appreciation rights. The company has two employee stock purchase programs.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Amounts recognized for share-based compensation are as follows:

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
(dollars in millions)				
Total cost of share-based compensation plans	\$11.1	\$11.3	\$36.5	\$38.7
Amounts capitalized in inventory and fixed assets	(0.3)	(0.1)	(1.0)	(0.9)
Amounts recognized in income for amounts previously capitalized in inventory and fixed assets	0.3	0.3	1.2	1.2
Amounts charged against income	\$11.1	\$11.5	\$36.7	\$39.0

The anticipated purchases under the Management Stock Purchase Program (the “MSPP”) were approximately 0.2 million shares in each year presented and the fair value per share related to these purchases was \$38.25 and \$27.42, respectively. The fair value of the 2011 and 2010 annual MSPP purchases were estimated in July 2011 and July 2010, respectively, using the Black-Scholes model based on the following assumptions: risk-free interest rate of 0.12% and 0.22%, respectively; expected volatility of 16% and 20%, respectively; dividend yield of 0.8% and 0.9%, respectively; and expected life of 0.6 years for both valuations.

As of September 30, 2011, there were \$70.9 million of unrecognized compensation expenses related to share-based payment arrangements. These costs are expected to be recognized over a weighted-average period of approximately three years. The company has sufficient shares to satisfy expected share-based payment arrangements in 2011.

10. Pension and Other Postretirement Benefit Plans

Defined Benefit Pension Plans - The company has both tax-qualified and nonqualified, noncontributory defined benefit pension plans that together cover certain domestic and foreign employees. These plans provide benefits based upon a participant’s compensation and years of service.

The components of net periodic pension cost are as follows:

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
(dollars in millions)				
Service cost, net of employee contributions	\$6.8	\$6.1	\$20.3	\$18.4
Interest cost	4.8	4.7	14.2	14.2
Expected return on plan assets	(5.9)	(5.5)	(17.6)	(16.5)
Amortization	1.9	1.8	5.9	5.2
Net periodic pension cost	\$7.6	\$7.1	\$22.8	\$21.3

Other Postretirement Benefit Plan - The company does not provide subsidized postretirement healthcare benefits and life insurance coverage except for a limited number of former employees. As this plan is unfunded, contributions are made as benefits are incurred. The net periodic benefit expense was \$0.2 million for both quarters ended September 30, 2011 and 2010. The net periodic benefit expense was \$0.5 million and \$0.6 million for the nine months ended September 30, 2011 and 2010, respectively.

C. R. BARD, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

11. Segment Information

The company's management considers its business to be a single segment entity—the manufacture and sale of medical devices. The company's products generally share similar distribution channels and customers. The company designs, develops, manufactures, packages, distributes and sells medical, surgical, diagnostic and patient care devices. The company sells a broad range of products to hospitals, individual healthcare professionals, extended care health facilities and alternate site facilities on a global basis. In general, the company's products are intended to be used once and then discarded or implanted either temporarily or permanently. The company's chief operating decision makers evaluate their various global product portfolios on a net sales basis and generally evaluate profitability and associated investment on an enterprise-wide basis due to shared geographic infrastructures.

Net sales based on the location of external customers by geographic region are:

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
(dollars in millions)				
United States	\$486.5	\$479.3	\$1,453.5	\$1,398.7
Europe	124.2	108.2	380.3	346.5
Japan	36.1	36.0	103.9	97.6
Other	72.4	54.9	206.8	160.3
	<u>\$719.2</u>	<u>\$678.4</u>	<u>\$2,144.5</u>	<u>\$2,003.1</u>

Total net sales by product group category are:

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
(dollars in millions)				
Vascular	\$208.2	\$190.7	\$ 621.7	\$ 550.6
Urology	182.2	179.0	544.4	533.0
Oncology	198.9	183.3	578.1	535.6
Surgical Specialties	107.6	104.6	333.4	320.0
Other	22.3	20.8	66.9	63.9
	<u>\$719.2</u>	<u>\$678.4</u>	<u>\$2,144.5</u>	<u>\$2,003.1</u>

Other information is:

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
(dollars in millions)				
Depreciation	<u>\$ 12.2</u>	<u>\$ 13.1</u>	<u>\$ 39.0</u>	<u>\$ 38.9</u>
Amortization	<u>\$ 15.4</u>	<u>\$ 14.7</u>	<u>\$ 45.4</u>	<u>\$ 38.4</u>

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Executive Overview

The company designs, develops, manufactures, packages, distributes and sells medical, surgical, diagnostic and patient care devices. The company sells a broad range of products to hospitals, individual healthcare professionals, extended care health facilities and alternate site facilities on a global basis. Outside the United States, Europe and Japan are the company's largest markets, while certain emerging markets in Asia and Latin America are the company's fastest growing markets. In general, the company's products are intended to be used once and then discarded or implanted either temporarily or permanently. The company reports sales in four major product group categories: vascular; urology; oncology; and surgical specialties. The company also has a product group of other products.

The company's earnings are driven by its ability to continue to generate sales of its products and improve operating efficiency. Bard's ability to increase sales over time depends upon its success in developing, acquiring and marketing differentiated products that meet the needs of clinicians and their patients. For the nine months ended September 30, 2011, the company's research and development ("R&D") expense as a percentage of net sales was 6.6%. The company expects R&D expense as a percentage of net sales to increase up to a range of 9% to 10% over the course of the next several years. The company also makes selective acquisitions of businesses, products and technologies, generally focusing on small-sized transactions to provide ongoing growth opportunities. In addition, the company may from time-to-time consider acquisitions of larger, established companies. The company may also periodically divest lines of business in which it is not able to reasonably attain or maintain a leadership position in the market or for other strategic reasons.

Recent Developments

On October 24, 2011, the company entered into a definitive agreement to acquire all of the outstanding stock of Medivance, Inc. ("Medivance"), subject to certain conditions, for an aggregate purchase price of \$250 million, subject to adjustment upon closing. Medivance develops and sells critical care products in the Targeted Temperature Management™ area. Medivance's core product is the ArticSun®, a noninvasive technology that utilizes a proprietary system that incorporates a hydrogel adhesive pad to control a patient's core body temperature at a targeted level. The acquisition is expected to close during the fourth quarter of 2011. The purchase price of the acquisition is expected to be funded through a mixture of available cash and short term debt.

During the third quarter of 2011, the company initiated certain restructuring actions in order to improve its overall cost structure and enhance operational effectiveness. In connection with these actions, the company recorded employee separation costs under the company's existing severance programs of \$10.3 million (\$6.9 million after tax). Substantially all of these costs will be cash expenditures. The company expects these restructuring costs to result in pre-tax cost savings of approximately \$16 million on an annual basis. See Note 3 of the notes to the condensed consolidated financial statements.

On September 20, 2011, the company and ClearStream Technologies Group plc ("ClearStream") entered into an agreement pursuant to which a subsidiary of Bard made a cash offer of 85 pence per share to acquire all of the outstanding shares of ClearStream, subject to certain conditions. The total cash consideration to be paid to ClearStream's shareholders, assuming the offer is fully accepted, is approximately \$68 million. ClearStream, based in Enniscorthy, Co. Wexford, Ireland, is a company that develops and sells proprietary products used in angioplasty. The acquisition complements Bard's core competencies and enhances Bard's vascular product portfolio. In connection with the offer, and in order to satisfy local rules in Ireland governing transactions of this type, a subsidiary of Bard deposited \$83.7 million into a segregated account in order to ensure the availability of funds to be paid to ClearStream's shareholders at closing. These funds are recorded as a component of restricted cash at September 30, 2011. The company acquired a controlling interest in ClearStream in October 2011 and expects to complete the acquisition in the fourth quarter of 2011.

On June 30, 2011, the company announced that it had reached agreements in principle with various plaintiffs' law firms to settle the majority of its existing Hernia Product Claims (see Note 8 of the notes to condensed consolidated financial statements). Based on these events, the company recorded to other (income) expense, net, a charge of \$184.3 million (\$180.6 million after tax) in the second quarter of 2011 which recognizes the estimated costs of settling all Hernia Product Claims, including asserted and unasserted claims, and costs to administer the settlements. The charge excludes any costs associated with pending putative class action lawsuits. In July 2011, the company made a payment of \$116.6 million to an escrow account, subject to settlement conditions, for certain of these claims. This payment is recorded as a component of restricted cash at September 30, 2011. The remaining payments for settled Hernia Product Claims are expected to be made over the next several quarters. All of the settlement amounts were funded or are expected to be funded using cash from a foreign subsidiary that manufactured these products.

Results of Operations

Net Sales

Bard's consolidated net sales for the quarter ended September 30, 2011 increased 6% on a reported basis (3% on a constant currency basis) compared to the same period in the prior year. Bard's consolidated net sales for the nine months ended September 30, 2011 increased 7% on a reported basis (5% on a constant currency basis) compared to the same period in the prior year. Net sales "on a constant currency basis" is a non-GAAP measure and should not be viewed as a replacement of GAAP results. See "Management's Use of Non-GAAP Measures" below. Price changes had the effect of decreasing consolidated net sales for the quarter and nine months ended September 30, 2011 by approximately 110 and 70 basis points, respectively, as compared to the same periods in the prior year. Exchange rate fluctuations had the effect of increasing consolidated net sales for the quarter and nine months ended September 30, 2011 by 3% and 2% respectively, as compared to the same periods in the prior year. The primary exchange rate movement that impacts net sales is the movement of the Euro compared to the U.S. dollar. The impact of exchange rate movements on net sales is not indicative of the impact on net earnings due to the offsetting impact of exchange rate movements on operating costs and expenses, costs incurred in other currencies and the company's hedging activities.

Bard's United States net sales of \$486.5 million for the quarter ended September 30, 2011 increased 2% compared to \$479.3 million in the prior year quarter. Growth in United States net sales for the current quarter was lower than in recent quarters, a trend that may continue. International net sales of \$232.7 million for the quarter ended September 30, 2011 increased 17% on a reported basis (7% on a constant currency basis) compared to \$199.1 million in the prior year quarter. Bard's United States net sales of \$1,453.5 million for the nine months ended September 30, 2011 increased 4% compared to \$1,398.7 million in the prior year period. International net sales of \$691.0 million for the nine months ended September 30, 2011 increased 14% on a reported basis (9% on a constant currency basis) compared to \$604.4 million in the prior year period.

A summary of net sales by product group category is as follows:

Product Group Summary of Net Sales

	Quarter Ended September 30,				Nine Months Ended September 30,			
	2011	2010	Change	Constant Currency	2011	2010	Change	Constant Currency
(dollars in millions)								
Vascular	\$208.2	\$190.7	9%	5%	\$ 621.7	\$ 550.6	13%	10%
Urology	182.2	179.0	2%	—	544.4	533.0	2%	1%
Oncology	198.9	183.3	9%	6%	578.1	535.6	8%	6%
Surgical Specialties	107.6	104.6	3%	1%	333.4	320.0	4%	3%
Other	22.3	20.8	7%	5%	66.9	63.9	5%	4%
Total net sales	<u>\$719.2</u>	<u>\$678.4</u>	6%	3%	<u>\$2,144.5</u>	<u>\$2,003.1</u>	7%	5%

Vascular Products - Bard markets a wide range of products for the peripheral vascular market, including endovascular products, electrophysiology products and vascular graft products. The increase in consolidated net sales of vascular products for the quarter and nine months ended September 30, 2011 compared to the prior year periods was due primarily to growth in endovascular products. United States net sales of vascular products for the quarter ended September 30, 2011 increased 2% compared to the prior year quarter. International net sales of vascular products for the quarter ended September 30, 2011 increased 20% on a reported basis (8% on a constant currency basis) compared to the prior year quarter. United States net sales of vascular products for the nine months ended September 30, 2011 increased 11% compared to the prior year period. International net sales of vascular products for the nine months ended September 30, 2011 increased 16% on a reported basis (10% on a constant currency basis) compared to the prior year period.

Consolidated net sales of endovascular products for the quarter ended September 30, 2011 increased 10% on a reported basis (6% on a constant currency basis) compared to the prior year quarter. Consolidated net sales of endovascular products for the nine months ended September 30, 2011 increased 17% on a reported basis (15% on a constant currency basis) compared to the prior year period (including 8 percentage points on both a reported and constant currency basis from the SenoRx® biopsy products acquired in July 2010). Percutaneous transluminal angioplasty balloon catheters and biopsy products were also contributors to the growth in this category for the quarter and nine months ended September 30, 2011.

Consolidated net sales of electrophysiology products for the quarter ended September 30, 2011 increased 11% on a reported basis (4% on a constant currency basis) compared to the prior year quarter. The net sales increase for the quarter ended September 30, 2011 was driven primarily by sales of electrophysiology laboratory systems. Consolidated net sales of electrophysiology products for the nine months ended September 30, 2011 increased 4% on a reported basis (flat on a constant currency basis) compared to the prior year period. The net sales increase for the nine months ended September 30, 2011 was driven primarily by sales of steerable diagnostic catheters.

Consolidated net sales of vascular graft products for the quarter ended September 30, 2011 increased 2% on a reported basis (decreased 3% on a constant currency basis) compared to the prior year quarter. Consolidated net sales of vascular graft products for the nine months ended September 30, 2011 remained flat on a reported basis (decreased 3% on a constant currency basis) compared to the prior year period.

Urology Products - Bard markets a wide range of products for the urology market, including basic drainage products, continence products and urological specialty products. Bard also markets StatLock® catheter stabilization products, which are used to secure many types of catheters sold by Bard and other companies. The majority of basic drainage products, StatLock® catheter stabilization products and certain urological specialty products are sold through distributors. The increase in consolidated net sales of urology products for the quarter and nine months ended September 30, 2011 compared to the prior year periods was led by growth in sales of basic drainage products and StatLock® products partially offset by a decrease in the sales of continence products. United States net sales of urology products for the quarter ended September 30, 2011 decreased 3% compared to the prior year quarter. International net sales of urology products for the quarter ended September 30, 2011 increased 14% on a reported basis (6% on a constant currency basis) compared to the prior year quarter. United States net sales of urology products for the nine months ended September 30, 2011 decreased 2% compared to the period year period. International net sales of urology products for the nine months ended September 30, 2011 increased 12% on a reported basis (8% on a constant currency basis) compared to the prior year period.

Consolidated net sales of basic drainage products for the quarter ended September 30, 2011 increased 3% on a reported basis (1% on a constant currency basis) compared to the prior year quarter. Consolidated net sales of infection control Foley catheter products for the quarter ended September 30, 2011 decreased 4% on both a reported and constant currency basis compared to the prior year quarter. Consolidated net sales of basic drainage products for the nine months ended September 30, 2011 increased 4% on a reported basis (3% on a constant currency basis). Consolidated net sales of infection control Foley catheter products for the nine months ended September 30, 2011 decreased 1% on both a reported and constant currency basis compared to the prior year period.

Consolidated net sales of continence products for the quarter ended September 30, 2011 decreased 18% on a reported basis (20% on a constant currency basis) compared to the prior year quarter. Consolidated net sales of continence products for the nine months ended September 30, 2011 decreased 13% on a reported basis (14% on a constant currency basis) compared to the prior year period. Net sales for the quarter and nine months ended September 30, 2011 were impacted by the discontinuation of sales of a bulking continence product and by a decline in sales of surgical continence products, a trend that may continue.

Consolidated net sales of urological specialty products for the quarter ended September 30, 2011 increased 8% on a reported basis (4% on a constant currency basis) compared to the prior year quarter. Consolidated net sales of brachytherapy products for the quarter ended September 30, 2011 increased 10% on a reported basis (5% on a constant currency basis) compared to the prior year quarter. Consolidated net sales of urological specialty products for the nine months ended September 30, 2011 increased 4% on a reported basis (2% on a constant currency basis) compared to the prior year period. Consolidated net sales of brachytherapy products for the nine months ended September 30, 2011 increased 1% on a reported basis (decreased 1% on a constant currency basis) compared to the prior year period. Despite growth in the current quarter, the brachytherapy market has been losing procedural share to alternative therapies, a trend that may continue.

Consolidated net sales of the StatLock® catheter stabilization product line for the quarter ended September 30, 2011 increased 6% on a reported basis (5% on a constant currency basis) compared to the prior year quarter. Consolidated net sales of the StatLock® catheter stabilization product line for the nine months ended September 30, 2011 increased 7% on a reported basis (6% on a constant currency basis) compared to the prior year period.

Oncology Products - Bard's oncology business includes specialty vascular access products and enteral feeding devices. Specialty vascular access products include peripherally inserted central catheters ("PICCs"), used for intermediate to long-term central venous access, specialty access ports and accessories ("Ports"), used most commonly for chemotherapy, dialysis access catheters and vascular access ultrasound devices, which help facilitate the placement of PICCs.

The increase in consolidated net sales for the quarter and nine months ended September 30, 2011 of oncology products compared to the prior year periods was due primarily to growth in sales of PICCs and Ports. United States net sales of oncology products for the quarter ended September 30, 2011 increased 6% compared to the prior year quarter. International net sales of oncology products for the quarter ended September 30, 2011 increased 18% on a reported basis (7% on a constant currency basis) compared to the prior year quarter. United States net sales of oncology products for the nine months ended September 30, 2011 increased 5% compared to the prior year period. International net sales of oncology products for the nine months ended September 30, 2011 increased 16% on a reported basis (9% on a constant currency basis) compared to the prior year period.

Consolidated net sales of PICCs for the quarter ended September 30, 2011 increased 11% on a reported basis (10% on a constant currency basis) compared to the prior year quarter. Consolidated net sales of PICCS for the nine months ended September 30, 2011 increased 9% on both a reported and constant currency basis compared to the prior year period. Consolidated net sales of Ports for the quarter ended September 30, 2011 increased 5% on a reported basis (3% on a constant currency basis) compared to the prior year quarter. Consolidated net sales of Ports for the nine months ended September 30, 2011 increased 7% on a reported basis (5% on a constant currency basis) compared to the prior year period.

Consolidated net sales of dialysis access catheters for the quarter ended September 30, 2011 increased 11% on a reported basis (8% on a constant currency basis) compared to the prior year quarter. Consolidated net sales of dialysis access catheters for the nine months ended September 30, 2011 increased 10% on a reported basis (8% on a constant currency basis) compared to the prior year period. Consolidated net sales of vascular access ultrasound devices for the quarter ended September 30, 2011 increased 6% on a reported basis (4% on a constant currency basis) compared to the prior year quarter. Consolidated net sales of vascular access ultrasound devices

for the nine months ended September 30, 2011 increased 7% on a reported basis (6% on a constant currency basis) compared to the prior year period.

Surgical Specialty Products - Surgical specialty products include soft tissue repair, performance irrigation and hemostasis product lines. The increase in consolidated net sales of surgical specialty products for the quarter and nine months ended September 30, 2011 compared to the prior year periods was due primarily to growth in soft tissue repair products. United States net sales of surgical specialty products for the quarter ended September 30, 2011 decreased 1% compared to the prior year quarter. International net sales of surgical specialty products for the quarter ended September 30, 2011 increased 16% on a reported basis (6% on a constant currency basis) compared to the prior year quarter. United States net sales of surgical specialty products for the nine months ended September 30, 2011 increased 2% compared to the prior year period. International net sales of surgical specialty products for the nine months ended September 30, 2011 increased 12% on a reported basis (7% on a constant currency basis) compared to the prior year period.

The soft tissue repair product line includes synthetic and natural-tissue hernia repair implants, natural-tissue breast reconstruction products and hernia fixation products. Consolidated net sales of soft tissue repair products for the quarter ended September 30, 2011 increased 6% on a reported basis (4% on a constant currency basis) compared to the prior year quarter. Consolidated net sales of soft tissue repair products for the nine months ended September 30, 2011 increased 7% on a reported basis (6% on a constant currency basis) compared to the prior year period. The company's net sales in this category for the quarter and nine months ended September 30, 2011 were favorably impacted by growth in sales of synthetic and natural-tissue hernia repair implants and natural-tissue breast reconstruction products.

Other Products - The other product group includes irrigation, wound drainage and certain original equipment manufacturers' products. Consolidated net sales of other products for the quarter ended September 30, 2011 increased 7% on a reported basis (5% on a constant currency basis) compared to the prior year quarter. Consolidated net sales of other products for the nine months ended September 30, 2011 increased 5% on a reported (4% on a constant currency basis) compared to the prior year period.

Costs and Expenses

A summary of costs and expenses as a percentage of net sales is as follows:

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010 ^(A)
Cost of goods sold	38.2%	37.1%	38.0%	37.8%
Marketing, selling and administrative expense	26.3%	27.4%	27.1%	27.7%
Research and development expense	6.5%	7.0%	6.6%	6.6%
Interest expense	1.3%	0.5%	1.3%	0.4%
Other (income) expense, net	2.4%	1.0%	9.8%	0.4%
Total costs and expenses	<u>74.7%</u>	<u>73.0%</u>	<u>82.8%</u>	<u>73.0%</u>

(A) Amounts do not add due to rounding.

Cost of goods sold - Cost of goods sold consists principally of the manufacturing and distribution costs of the company's products. The category also includes royalties, amortization of intangible assets and the impact of certain hedging activities. Cost of goods sold as a percentage of net sales for the quarter ended September 30, 2011 increased 110 basis points compared to the prior year quarter. Cost of goods sold as a percentage of net sales for the nine months ended September 30, 2011 increased 20 basis points compared to the prior year period. Incremental amortization of intangible assets acquired in 2010 and 2011 increased the cost of goods sold as a percentage of net sales by approximately 10 basis points over the prior year quarter and 30 basis points over the nine month period.

Marketing, selling and administrative expense - Marketing, selling and administrative expense consists principally of the costs associated with the company's sales and administrative organizations. These costs, as a percentage of net sales for the quarter ended September 30, 2011, decreased 110 basis points compared to the prior year quarter. These costs as a percentage of net sales for the nine months ended September 30, 2011 decreased 60 basis points compared to the prior year period.

Research and development expense - Research and development expense consists principally of costs related to internal research and development activities, milestone payments for third-party research and development activities, and purchased R&D costs arising from the company's business development activities. Purchased R&D may impact the comparability of the company's results of operations between periods. Research and development expense for the quarter ended September 30, 2011 was \$46.9 million, a decrease of approximately 1% compared to the prior year quarter. A purchased R&D charge of \$0.5 million was recorded for the quarter ended September 30, 2011. Research and development expense for the nine months ended September 30, 2011 was \$141.8 million, an increase of approximately 6% compared to the prior year period. Purchased R&D charges of \$3.5 million and \$0.5 million were recorded for the nine months ended September 30, 2011 and September 30, 2010, respectively.

Interest expense - Interest expense was \$9.0 million and \$3.2 million for the quarters ended September 30, 2011 and 2010, respectively. Interest expense was \$27.1 million and \$8.9 million for the nine months ended September 30, 2011 and 2010, respectively. The increase in interest expense was due to the issuance of \$750 million of senior unsecured notes in December 2010.

Other (income) expense, net - The components of other (income) expense, net, are as follows:

	<u>Quarter Ended</u> <u>September 30,</u>		<u>Nine Months Ended</u> <u>September 30,</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
(dollars in millions)				
Interest income	\$ (1.2)	\$(1.1)	\$ (3.1)	\$(2.7)
Foreign exchange losses	0.8	(0.8)	0.9	0.2
Legal settlements and commitments	—	—	195.5	—
Restructuring	10.0	—	8.9	—
Impairment charge for bonds	7.0	—	7.0	—
Acquisition related items	—	7.7	0.3	9.3
Other, net	<u>0.4</u>	<u>0.9</u>	<u>1.7</u>	<u>1.9</u>
Total other (income) expense, net	<u>\$17.0</u>	<u>\$ 6.7</u>	<u>\$211.2</u>	<u>\$ 8.7</u>

Legal settlements and commitments—For the nine months ended September 30, 2011, the amounts reflect the estimated costs of settling all Hernia Product Claims (other than the putative class action lawsuits), including costs to administer the settlements (see Note 8 of the notes to the condensed consolidated financial statements), and certain other legal settlements and commitments.

Restructuring—See Note 3 of the notes to the condensed consolidated financial statements.

Acquisition related items—The amounts consist of acquisition related integration costs.

Impairment charge for bonds—See Note 6 of the notes to the condensed consolidated financial statements.

Income tax provision

The effective tax rate for the quarter ended September 30, 2011 was approximately 29% compared to approximately 30% for the same period in 2010. The effective tax rate for the nine months ended September 30, 2011 was approximately 42% compared to approximately 31% for the same period in 2010. The higher tax rate for the current year-to-date period reflected the discrete tax effect of a charge for legal settlements, primarily related to the Hernia Product Claims, which were incurred in a low tax jurisdiction. The effective tax rate for both prior year periods reflected the discrete tax effect of a charge of \$5.6 million associated with a cash repatriation of approximately \$62 million of earnings from operations in certain foreign jurisdictions as a result of tax legislation enacted in the third quarter of 2010. The \$5.6 million charge was partially offset by the discrete tax effect of \$4.2 million associated with certain tax positions being remeasured as a result of new information related to the U.S. Internal Revenue Service examinations of the tax years 2003 and 2004.

Net Income Attributable to Common Shareholders and Earnings Per Share Available to Common Shareholders

The company reported net income attributable to common shareholders and diluted earnings per share available to common shareholders for the quarter ended September 30, 2011 of \$130.1 million and \$1.46, respectively. Net income attributable to common shareholders and diluted earnings per share available to common shareholders for the prior year quarter were \$127.5 million and \$1.34, respectively. The current year quarter reflects net restructuring costs of \$6.7 million, or \$0.08 per diluted share, an impairment charge for Greek bonds of \$7.0 million, or \$0.08 per diluted share, and acquisition related items, primarily consisting of transaction costs and a purchased R&D charge of \$2.2 million, or \$0.03 per diluted share. The current year quarter also reflects a decrease to the income tax provision of \$1.1 million, or \$0.01 per diluted share, due to an audit adjustment. The prior year quarter reflects acquisition related items, consisting of transaction costs (primarily legal and valuation costs), integration costs and purchase accounting adjustments of \$7.0 million, or \$0.07 per diluted share. The prior year quarter also reflects a net increase to the income tax provision of \$1.4 million, or \$0.01 per diluted share, as a result of the cash repatriation and the reduction of certain tax positions as discussed above.

The company reported net income attributable to common shareholders and diluted earnings per share available to common shareholders for the nine months ended September 30, 2011 of \$214.2 million and \$2.40, respectively. Net income attributable to common shareholders and diluted earnings per share available to common shareholders for the nine months ended September 30, 2010 were \$373.0 million and \$3.86, respectively. The current year to date period reflects legal settlements and commitments of \$189.5 million, or \$2.12 per diluted share, and net restructuring costs of \$5.9 million, or \$0.07 per diluted share and an impairment charge for Greek bonds of \$7.0 million, or \$0.08 per diluted share. The current year to date period also reflects acquisition related items, primarily consisting of transaction costs and purchased R&D charges of \$4.8 million, or \$0.06 per diluted share, and a decrease to the income tax provision of \$1.1 million, or \$0.01 per diluted share, due to an audit adjustment. The prior year to date period reflects acquisition related items, consisting of transaction costs (primarily legal and valuation costs), integration costs and purchase accounting adjustments of \$14.1 million, or \$0.15 per diluted share. The prior year nine month period also reflects bad debt expense of \$3.8 million or \$0.04 per diluted share related to the write-down of accounts receivable in Greece and a net increase to the income tax provision of \$1.4 million, or \$0.01 per diluted share, as a result of the cash repatriation and the reduction of certain tax positions as discussed above.

Liquidity and Capital Resources

The company assesses its liquidity in terms of its ability to generate cash to fund its operating, investing and financing activities. Significant factors affecting the management of liquidity are cash flows generated from operating activities, capital expenditures, acquisitions of businesses and technologies, cash dividends and common stock repurchases. Cash provided from operations continues to be the company's primary source of

funds. The company believes that it could borrow adequate funds at competitive terms should it be necessary. The company also believes that its overall financial strength gives it sufficient financial flexibility. A summary of certain liquidity measures for Bard as of September 30 is as follows:

(dollars in millions)	<u>2011</u>	<u>2010</u>
Working capital	<u>\$1,392.8</u>	<u>\$1,001.4</u>
Current ratio	<u>3.74/1</u>	<u>2.93/1</u>

Cash and cash equivalents held by the company's foreign subsidiaries were \$614.0 million and \$641.4 million at September 30, 2011 and December 31, 2010, respectively. It is the company's intention to permanently reinvest the majority of these funds outside the United States to finance foreign operations, and the company's plans do not demonstrate a need to repatriate these funds. If these funds are needed for U.S. operations or can no longer be permanently reinvested outside the United States, the company would be required to accrue and pay U.S. taxes to repatriate these funds.

For the nine months ended September 30, 2011 and 2010, net cash provided by operating activities was \$549.4 million and \$463.7 million, respectively. The increase in net cash provided by operating activities reflects higher net income, excluding non-cash items, and the timing of tax payments.

For the nine months ended September 30, 2011, the company used \$266.8 million in cash for investing activities, compared to the \$323.0 million used in the prior year period. The current year period reflects an increase of \$200.3 million in restricted cash related to a payment for certain Hernia Product Claims pursuant to the proposed settlements and a payment in anticipation of the acquisition of ClearStream. The prior year period reflects the acquisitions of SenoRx, Inc. and FlowCardia, Inc. for a total of \$286.1 million. Capital expenditures were approximately \$49.9 million and \$33.3 million for the nine month periods ended September 30, 2011 and 2010, respectively.

For the nine months ended September 30, 2011, the company used \$166.1 million in cash for financing activities, compared to the \$142.7 million used in the prior year period. Total debt was \$908.9 million and \$977.4 million at September 30, 2011 and December 31, 2010, respectively. Total debt to total capitalization was 33% and 37.5% at September 30, 2011 and December 31, 2010, respectively. The company spent approximately \$96.2 million to repurchase 1,068,200 shares of common stock in the nine months ended September 30, 2011 compared to approximately \$297.6 million to repurchase 3,658,250 shares of common stock in the prior year period. Included in purchases of common stock in 2011 is a payment of \$58.9 million in cash remitted to the bank counterparty upon final settlement under an accelerated share repurchase agreement. The company paid cash dividends of \$0.55 per share and \$0.52 per share for the nine month periods ended September 30, 2011 and 2010, respectively. In the prior year period, the company purchased the noncontrolling interest in its Malaysian operation for \$25.9 million.

On October 12, 2011, the company entered into a new \$600 million five-year committed syndicated bank credit facility that expires in October 2016. The new credit facility replaces the company's existing \$400 million five-year credit agreement that was scheduled to mature in June 2012. The credit facilities support the company's commercial paper program and can be used for general corporate purposes. The facilities include pricing based on the company's long-term credit rating and include a financial covenant that limits the amount of total debt to total capitalization. There were no outstanding short-term borrowings, including commercial paper borrowings, at September 30, 2011. The company had outstanding commercial paper borrowings of \$80.5 million at December 31, 2010.

Contingencies

In the ordinary course of business, the company is subject to various legal proceedings and claims, including product liability matters, environmental matters, employment disputes, disputes on agreements and other commercial disputes. In addition, the company operates in an industry susceptible to significant patent legal claims. At any given time in the ordinary course of business, the company is involved as either a plaintiff or defendant in a number of patent infringement actions. See Note 8 of the notes to condensed consolidated financial statements.

Management's Use of Non-GAAP Measures

Net sales "on a constant currency basis" is a non-GAAP measure. The company analyzes net sales on a constant currency basis to better measure the comparability of results between periods. Because changes in foreign currency exchange rates have a non-operating impact on net sales, the company believes that evaluating growth in net sales on a constant currency basis provides an additional and meaningful assessment of net sales to both management and the company's investors. Constant currency growth rates are calculated by translating the prior year's local currency sales by the current period's exchange rate. Constant currency growth rates are not indicative of changes in corresponding cash flows. The limitation of non-GAAP measures is that they do not reflect results on a standardized reporting basis. Non-GAAP measures are intended to supplement the applicable GAAP disclosures and should not be viewed as a replacement of GAAP results.

Critical Accounting Policies

The preparation of financial statements requires the company's management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Critical accounting policies are those that require application of management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain and may change in subsequent periods. Such policies are summarized in the Management's Discussion and Analysis of Financial Condition and Results of Operations section in Bard's 2010 Annual Report on Form 10-K. There have been no significant changes to the company's critical accounting policies since December 31, 2010.

Risks and Uncertainties; Cautionary Statement Regarding Forward-Looking Information

Certain statements contained herein or in other company documents and certain statements that may be made by management of the company orally may contain forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. You can identify these statements by the fact that they do not relate strictly to historical or current facts. They use words such as "anticipate," "estimate," "expect," "project," "intend," "forecast," "plan," "believe" and other words and terms of similar meaning in connection with any discussion of future operating or financial performance. In particular, these include statements relating to product approvals, future performance of current and anticipated products, sales efforts, expenses, the outcome of contingencies, such as legal proceedings, and financial results. The company's forward-looking statements speak only as of the date of this report or as of the date they are made, and the company undertakes no obligation to update its forward-looking statements.

In addition, there are substantial risks inherent in the medical device business. The company's business involves the design, development, manufacture, packaging, distribution and sale of medical, surgical, diagnostic and patient care devices. These devices are often used on, or permanently or temporarily implanted in patients in clinically demanding circumstances, such as operating rooms, emergency units, intensive care and critical care settings, among others. These circumstances, among other factors, can cause the products to become associated with adverse clinical events, including patient mortality and injury, and could lead to product liability claims

(including lawsuits seeking class action status or seeking to establish multi-district litigation proceedings) and other litigation, product withdrawals, Warning Letters, recalls, field corrections or regulatory enforcement actions relating to one or more of the company's products, any of which could have a material adverse effect on our business, results of operations, financial condition and/or liquidity. For further discussion of risks applicable to our business, see "Risk Factors" in Bard's 2010 Annual Report on Form 10-K.

Because actual results are affected by these and other risks and uncertainties, the company cautions investors that actual results may differ materially from those expressed or implied. It is not possible to predict or identify all risks and uncertainties, but the most significant factors, in addition to those addressed above, that could adversely affect our business or cause the actual results to differ materially from those expressed or implied include, but are not limited to:

Effective management of and reaction to risks involved in our business, including:

- the ability to achieve manufacturing or administrative efficiencies, including gross margin benefits from our manufacturing processes and supply chain programs or in connection with the integration of acquired businesses;
- the effects of negative publicity concerning our products, which could result in product withdrawals or decreased product demand and which could reduce market or governmental acceptance of our products;
- the ability to identify appropriate companies, businesses and technologies as potential acquisition candidates, to consummate and successfully integrate such transactions or to obtain agreements for such transactions with favorable terms;
- the reduction in the number of procedures using our devices caused by customers' cost-containment pressures or preferences for alternate therapies;
- the ability to maintain or increase research and development expenditures;
- the uncertainty of whether increased research and development expenditures and sales force expansion will result in increased sales;
- the ability to maintain our effective tax rate and uncertainty related to tax audits, appeals and litigation;
- internal factors, such as retention of key employees, including sales force employees;
- the ability to achieve earnings forecasts, which are generated based, among other things, on projected volumes and sales of many product types, some of which are more profitable than others;
- changes in factors and assumptions or actual results that differ from our assumptions on stock valuation and employee stock option exercise patterns, which could cause compensation expense recorded in future periods to differ significantly from the compensation expense recorded in the current period;
- changes in factors and assumptions could cause pension cost recorded in future periods to differ from the pension cost recorded in the current period;
- the effect of market fluctuations on the value of assets in the company's pension plans and the possibility that the company may need to make additional contributions to the plans as a result of any decline in the fair value of such assets;
- damage to a facility where our products are manufactured or distributed, which could render the company unable to manufacture or distribute one or more products and may require the company to reduce the output of products at the damaged facility thereby making it difficult to meet product shipping targets;
- the potential impairment of goodwill and intangible assets of the company resulting from insufficient cash flow generated from such assets specifically, or our business more broadly, so as to not allow the company to justify the carrying value of the assets;

- the ability to obtain appropriate levels of product liability insurance on reasonable terms;
- the ability to recover for claims made to our insurance companies; and
- the ability to realize the anticipated benefits of the 2010 Restructuring Plan and 2011 restructuring activities to improve overall cost structure and efficiency.

Competitive factors, including:

- the trend of consolidation in the medical device industry as well as among our customers, resulting in potentially greater pricing pressures and more significant and complex contracts than in the past, both in the United States and abroad;
- development of new products or technologies by competitors having superior performance compared to our current products or products under development which could negatively impact sales of our products or render one or more of our products obsolete;
- technological advances, patents and registrations obtained by competitors that would have the effect of excluding the company from new market segments or preventing the company from selling a product or including key features in the company's products;
- attempts by competitors to gain market share through aggressive marketing programs; and
- reprocessing by third-party reproducers of our products designed and labeled for single use.

Difficulties and delays inherent in the development, manufacturing, marketing and sale of medical products, including:

- the ability to complete planned clinical trials successfully, to develop and obtain regulatory approval for products on a timely basis and to launch products on a timely basis within cost estimates;
- lengthy and costly regulatory approval processes, which may result in lost market opportunities and/or delayed product launches;
- delays or denials of, or grants of low or reduced levels of reimbursement for, procedures using newly developed products;
- the suspension or revocation of authority to manufacture, market or distribute existing products;
- the imposition of additional or different regulatory requirements, such as those affecting manufacturing and labeling;
- performance, efficacy or safety concerns for existing products, whether scientifically justified or not, that may lead to product discontinuations, product withdrawals, recalls, field corrections, regulatory enforcement actions, litigation or declining sales, including adverse events relating to the company's vena cava filters, pelvic floor repair products and hernia repair products;
- FDA inspections resulting in Form-483 notices and/or Warning Letters identifying deficiencies in the company's manufacturing practices and/or quality systems; Warning Letters identifying violations of FDA regulations that could result in product holds, recalls, restrictions on future clearances by the FDA and/or civil penalties;
- the failure to obtain, limitations on the use of, or the loss of, patent and other intellectual property rights, and the failure of efforts to protect our intellectual property rights against infringement and legal challenges that can increase our costs;
- difficulties obtaining necessary components or raw materials used in the company's products and/or price increases from the company's suppliers of critical components or raw materials, including oil-based resins, or other interruptions of the supply chain; and

- customers that may limit the number of manufacturers or vendors from which they will purchase products, which can result in the company's inability to sell products to or contract with large hospital systems, integrated delivery networks or group purchasing organizations.

Governmental action, including:

- the impact of continued healthcare cost containment;
- new laws and judicial decisions related to healthcare availability, healthcare reform, payment for healthcare products and services or the marketing and distribution of products, including legislative or administrative reforms to the United States Medicare and Medicaid systems or other United States or international reimbursement systems in a manner that would significantly reduce or eliminate reimbursements for procedures that use the company's products;
- changes in the FDA and/or foreign regulatory approval processes that may delay or prevent the approval of new products and result in lost market opportunity;
- the impact of more vigorous compliance and enforcement activities affecting the healthcare industry in general or the company in particular;
- changes in the tax laws affecting our business, such as the recently-enacted excise tax in Puerto Rico;
- changes in the environmental laws or standards affecting our business;
- changes in laws that could require facility upgrades or process changes and could affect production rates and output; and
- compliance costs and potential penalties and remediation obligations in connection with environmental laws, including regulations regarding air emissions, waste water discharges and solid waste.

Legal disputes, including:

- disputes over intellectual property rights;
- product liability claims, which may involve lawsuits seeking class action status or seeking to establish multi-district litigation proceedings, including the Hernia Product Claims, the Women's Health Product Claims and the Filter Product Claims;
- claims asserting securities law violations;
- claims asserting, and/or subpoenas seeking information regarding, violations of law in connection with federal and/or state healthcare programs such as Medicare or Medicaid;
- derivative shareholder actions;
- claims and subpoenas asserting antitrust violations;
- environmental claims, including risks relating to accidental contamination or injury from the use of hazardous materials in the company's manufacturing, sterilization and research activities and the potential for the company to be held liable for any resulting damages; and
- commercial disputes, including disputes over distribution agreements, license agreements, manufacturing/supply agreements, development/research agreements, acquisition or sale agreements, and insurance policies.

General economic conditions, including:

- international and domestic business conditions;
- political or economic instability in foreign countries;

- interest rates;
- foreign currency exchange rates;
- changes in the rate of inflation; and
- instability of global financial markets and economies, including Greece, Italy, Spain, Portugal and other countries in Europe.

Other factors beyond our control, including catastrophes, both natural and man-made, earthquakes, floods, fires, explosions, acts of terrorism or war.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The quantitative and qualitative disclosures about market risk are discussed in Part II, Item 7A. in Bard's 2010 Annual Report on Form 10-K. There have been no material changes in the information reported since the year ended December 31, 2010.

Item 4. Controls and Procedures

The company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the company's reports under the Securities Exchange Act of 1934 (the "Exchange Act") is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosures. Any controls and procedures, no matter how well defined and operated, can provide only reasonable assurance of achieving the desired control objectives.

The company's management, with the participation of the company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of the company's disclosure controls and procedures as of September 30, 2011. Based upon that evaluation, the company's Chief Executive Officer and Chief Financial Officer have concluded that, as of September 30, 2011, the design and operation of the company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were effective to accomplish their objectives at the reasonable assurance level.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

General

In the ordinary course of business, the company is subject to various legal proceedings and claims, including, for example, product liability matters, environmental matters, employment disputes, disputes on agreements and other commercial disputes. In addition, the company operates in an industry susceptible to significant patent legal claims. At any given time, in the ordinary course of business, the company is involved as either a plaintiff or defendant in a number of patent infringement actions. If a third party's patent infringement claim were to be determined against the company, the company might be required to make significant royalty or other payments or might be subject to an injunction or other limitation on its ability to manufacture or distribute one or more products. If a patent owned by or licensed to the company were to be determined to be invalid or unenforceable, the company might be required to reduce the value of the patent on the company's balance sheet and to record a corresponding charge, which could be significant in amount. The company believes that any of these proceedings and claims could have a material adverse effect on its business, results of operations, financial condition and/or liquidity.

Product Liability Matters

As of October 20, 2011, approximately 1,910 federal and 1,720 state lawsuits involving individual claims by approximately 3,770 plaintiffs, as well as two putative class actions in the United States and four putative class actions in various Canadian provinces, have been filed or asserted against the company with respect to its Composix® Kugel® and certain other hernia repair implant products (collectively, the "Hernia Product Claims"). One of the U.S. class action lawsuits consolidates ten previously-filed U.S. class action lawsuits. The putative class actions, none of which has been certified, seek (i) medical monitoring, (ii) compensatory damages, (iii) punitive damages, (iv) a judicial finding of defect and causation and/or (v) attorneys' fees. Approximately 1,695 of the state lawsuits, involving individual claims by a substantially equivalent number of plaintiffs, are pending in the Superior Court of the State of Rhode Island, with the remainder in various other jurisdictions. The Hernia Product Claims also generally seek damages for personal injury resulting from use of the products. The company voluntarily recalled certain sizes and lots of the Composix® Kugel® products beginning in December 2005.

In June 2007, the Judicial Panel on Multidistrict Litigation ("JPML") transferred Composix® Kugel® lawsuits pending in federal courts nationwide into one Multidistrict Litigation ("MDL") for coordinated pre-trial proceedings in the United States District Court for the District of Rhode Island. The MDL court subsequently determined to include other hernia repair products of the company in the MDL proceeding. The first MDL trial was completed in April 2010 and resulted in a judgment for the company based on the jury's finding that the company was not liable for the plaintiff's damages. The second MDL trial was completed in August 2010 and resulted in a judgment for the plaintiff of \$1.5 million. On June 30, 2011, the company announced that it had reached agreements in principle with various plaintiffs' law firms to settle the majority of its existing Hernia Product Claims. Each agreement is subject to certain conditions, including requirements for participation in the proposed settlements by a certain minimum number of plaintiffs. In addition, the company is engaging in discussions with other plaintiffs' law firms regarding potential resolution of unsettled Hernia Product Claims, and intends to vigorously defend Hernia Product Claims that do not settle, including through litigation. Based on these events, the company incurred a charge of \$184.3 million (\$180.6 million after tax) in the second quarter of 2011, which recognized the estimated costs of settling all Hernia Product Claims, including asserted and unasserted claims, and costs to administer the settlements. The charge excludes any costs associated with pending putative class action lawsuits. The company cannot give any assurances that the actual costs incurred with respect to the Hernia Product Claims will not exceed the amount of the charge together with amounts previously accrued. The company cannot give any assurances that the resolution of the Hernia Product Claims that have not settled, including asserted and unasserted claims and the putative class action lawsuits, will not have a material adverse effect on the company's business, results of operations, financial condition and/or liquidity. For more information, see Item 1A. "Risk Factors" in Bard's 2010 Annual Report on Form 10-K.

As of October 20, 2011, product liability lawsuits involving individual claims by approximately 280 plaintiffs have been filed or asserted against the company in various federal and state jurisdictions alleging personal injuries associated with the use of certain of the company's surgical continence products for women, principally its Avaulta® line of products (collectively, the "Women's Health Product Claims"). The Women's Health Product Claims generally seek damages for personal injury resulting from use of the products. With respect to certain of these claims, the company believes that one of its suppliers has an obligation to defend and indemnify the company. In October 2010, the JPML transferred the Women's Health Product Claims involving solely Avaulta® products pending in federal courts nationwide into an MDL for coordinated pre-trial proceedings in the United States District Court for the Southern District of West Virginia. In October 2011, the JPML ordered that 35 lawsuits involving other women's surgical continence products of the company be transferred to the pending MDL in West Virginia. In total, approximately 150 of the Women's Health Product Claims are pending in federal courts and have been or will be transferred to the MDL in West Virginia, with the remainder of the Women's Health Product Claims in other jurisdictions. While the company intends to vigorously defend the Women's Health Product Claims, it cannot give any assurances that the resolution of these claims will not have a material adverse effect on the company's business, results of operations, financial condition and/or liquidity.

As of October 20, 2011, product liability lawsuits involving individual claims by approximately 40 plaintiffs have been filed or asserted against the company in various federal and state jurisdictions alleging personal injuries associated with the use of the company's vena cava filter products. In addition, a putative class action lawsuit has been filed against the company in California state court on behalf of plaintiffs who are alleged to have no present injury (all lawsuits, collectively, the "Filter Product Claims"). The putative class action, which has not been certified, seeks: (i) medical monitoring; (ii) punitive damages; (iii) a judicial finding of defect and causation; and/or (iv) attorneys' fees. While the company intends to vigorously defend the Filter Product Claims, it cannot give any assurances that the resolution of these claims will not have a material adverse effect on the company's business, results of operations, financial condition and/or liquidity.

In most product liability litigations of this nature, including the Hernia Product Claims, the Women's Health Product Claims and the Filter Product Claims, plaintiffs allege a wide variety of claims, ranging from allegations of serious injury caused by the products to efforts to obtain compensation notwithstanding the absence of any injury. In many of these cases, the company has not yet received and reviewed complete information regarding the plaintiffs and their medical conditions, and consequently, is unable to fully evaluate the claims. The company expects that it will receive and review additional information regarding the unsettled Hernia Product Claims, the Women's Health Product Claims, the Filter Product Claims and related matters as these cases progress.

The company believes that many settlements and judgments, as well as legal defense costs, relating to product liability matters are or may be covered in whole or in part under its product liability insurance policies with a limited number of insurance carriers. In certain circumstances, insurance carriers reserve their rights with respect to coverage, or contest or deny coverage, as has occurred with respect to certain claims. When this occurs, the company intends to vigorously contest disputes with respect to its insurance coverage and to enforce its rights under the terms of its insurance policies, and accordingly, may record receivables with respect to amounts due under these policies. Amounts recovered under the company's product liability insurance policies may be less than the stated coverage limits and may not be adequate to cover damages and/or costs relating to claims. In addition, there is no guarantee that insurers will pay claims or that coverage will otherwise be available.

In connection with the Hernia Product Claims, the company is in dispute with one of its excess insurance carriers relating to an aggregate of \$25 million of insurance coverage. Regardless of the outcome of this dispute, the company's insurance coverage with respect to the Hernia Product Claims has been depleted.

Other Legal Matters

In November 2006, the company received a subpoena issued by the U.S. Department of Health and Human Services, Office of Inspector General, under the authority of the federal healthcare fraud and false claims statutes. The subpoena seeks documents related to the company's brachytherapy business. The company has responded to the subpoena and is cooperating with the government in this matter. Although the company continues to engage in discussions with representatives of the civil and criminal divisions of the United States Attorney's Office for the Northern District of Georgia with respect to a potential resolution of this matter, the company cannot give any assurances that a resolution will be reached or what the terms of any such resolution may be. At this time, it is not possible to determine an estimate, or a range of estimates, of potential damages. In addition, the company cannot give any assurances that this matter will not have a material adverse effect on the company's business, results of operations, financial condition and/or liquidity.

On February 21, 2007, Southeast Missouri Hospital ("Southeast") filed a putative class action complaint on behalf of itself and all others similarly situated against the company and another manufacturer, Tyco International, Inc., which was subsequently dismissed from the action. The complaint was later amended to add St. Francis Medical Center ("St. Francis") as an additional named plaintiff. The action was re-named as *St. Francis Medical Center, et al. v. C. R. Bard, Inc., et al.* (Civil Action No. 1:07-cv-00031, United States District Court, Eastern District of Missouri, Southeastern District) when the court denied Southeast's motion to serve as a class representative and dismissed Southeast from the lawsuit. In September 2008, the court granted St. Francis's motion for class certification and determined the measurement period for any potential damages. St. Francis alleges that the company conspired to exclude competitors from the urological catheter market and that the company sought to maintain market share by engaging in conduct in violation of state and federal antitrust laws. St. Francis seeks injunctive relief and presented an expert report that calculates damages of up to approximately \$320 million, a figure that the company believes is unsupported by the facts. The company's expert report establishes that, even assuming a determination adverse to the company, the plaintiffs suffered no damages. In September 2009, the District Court granted the company's summary judgment motion and dismissed with prejudice all counts in this action. St. Francis appealed the Court's decision to the Eighth Circuit Court of Appeals ("Court of Appeals"). In August 2010, the Court of Appeals affirmed the decision of the District Court. In October 2010, the Court of Appeals granted St. Francis's request for a re-hearing of its appeal. In June 2011, the Court of Appeals again affirmed the decision of the District Court. St. Francis filed another request for a re-hearing of its appeal to the Court of Appeals, which was denied in August 2011. St. Francis may request a review of the decision by the U.S. Supreme Court. If St. Francis continues to pursue this case, the company intends to defend this matter vigorously. If St. Francis is ultimately successful, any damages awarded under the federal antitrust laws will be subject to statutory trebling and St. Francis's attorneys would be entitled to an award of reasonable fees and costs. At this time, it is not possible to assess the likelihood of an adverse outcome or determine an estimate, or a range of estimates, of potential damages. The company cannot give any assurances that this matter will not have a material adverse effect on the company's business, results of operations, financial condition and/or liquidity.

In December 2007, a U.S. District Court jury in Arizona found that certain of W.L. Gore & Associates Inc.'s ("Gore") ePTFE vascular grafts and stent-grafts infringe the company's patent number 6,436,135. The jury upheld the validity of the patent and awarded the company \$185 million in past damages. The jury also found that Gore willfully infringed the patent. In a second phase of the trial, the Court ruled that Gore failed to prove that the patent is unenforceable due to inequitable conduct. In March 2009, the U.S. District Court doubled the jury award to approximately \$371 million for damages through June 2007. The Court also awarded the company attorneys' fees of \$19 million and prejudgment interest of approximately \$20 million. In addition, the Court denied Gore's remaining motions, including its motions for a new trial and to set aside the jury's verdict. In July 2010, the U.S. District Court awarded the company approximately \$109 million in additional damages for the period from July 2007 through March 2009. The Court also assessed a royalty rate of between 12.5% and 20%, depending on the product, that will be used to calculate damages for Gore's infringing sales from April 2009 through the expiration of the patent. Gore made additional deposits with the Court of approximately \$264 million, representing Gore's calculation of royalties for its infringing sales through June 2011. Gore has appealed this matter to the Court of Appeals for the Federal Circuit and

oral argument was heard on May 3, 2011. Because the company considers this matter a gain contingency, no amounts have been recorded as of September 30, 2011. Even if the company is ultimately successful in this lawsuit, it cannot give any assurances that royalties for Gore's future infringing sales will remain at or near historic levels.

The company is subject to numerous federal, state, local and foreign environmental protection laws governing, among other things, the generation, storage, use and transportation of hazardous materials and emissions or discharges into the ground, air or water. The company is or may become a party to proceedings brought under various federal laws including the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), commonly known as Superfund, the Resource Conservation and Recovery Act, the Clean Water Act, the Clean Air Act and similar state laws. These proceedings seek to require the owners or operators of contaminated sites, transporters of hazardous materials to the sites and generators of hazardous materials disposed of at the sites to clean up the sites or to reimburse the government for cleanup costs. In most cases, there are other potentially responsible parties that may be liable for any remediation costs. In these cases, the government alleges that the defendants are jointly and severally liable for the cleanup costs; however, these proceedings are frequently resolved so that the allocation of cleanup costs among the parties more closely reflects the relative contributions of the parties to the site contamination. The company's potential liability varies greatly from site to site. For some sites, the potential liability is de minimis and for others the costs of cleanup have not yet been determined. The company believes that the proceedings and claims described above will likely be resolved over an extended period of time. While it is not feasible to predict the outcome of these proceedings, based upon the company's experience, current information and applicable law, the company does not expect these proceedings to have a material adverse effect on its financial condition and/or liquidity. However, one or more of the proceedings could be material to the company's business and/or results of operations.

The company regularly monitors and evaluates the status of product liability and other legal matters, and may from time-to-time engage in settlement and mediation discussions taking into consideration developments in the matters and the risks and uncertainties surrounding litigation. These discussions could result in settlements of one or more of these claims at any time.

Item 1A. Risk Factors

There have been no material changes to the risk factors disclosed in Part I, Item 1A. in Bard's 2010 Annual Report on Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Period	Issuer Purchases of Equity Securities			
	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs ⁽²⁾	Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under Plans or Programs ⁽²⁾
July 1 - July 31, 2011	1,110	\$112.64	—	\$487,184,378
August 1 - August 31, 2011	62,352	89.16	—	487,184,378
September 1 - September 30, 2011	1,283,783	89.93	1,283,000	371,805,678
Total	1,347,245	\$ 89.91	1,283,000	\$371,805,678

(1) The company repurchased 64,245 shares during the three month period ended September 30, 2011 that were not part of the publicly announced share repurchase authorization. These shares were purchased from employees to satisfy tax withholding requirements on the vesting of restricted shares from equity-based awards.

(2) On June 9, 2010, the Board of Directors approved the repurchase of up to \$500 million of common stock.

Item 5. Other Information

The company's policy governing transactions in its securities by the company's directors, executive officers and other specified employees permits such persons to adopt trading plans pursuant to Rule 10b5-1 of the Exchange Act. From time-to-time, the company's executive officers have established trading plans relating to the company's common stock under Rule 10b5-1 and the company anticipates additional trading plans may be established in the future. The company currently discloses details regarding individual trading plans on its website.

Item 6. Exhibits

- (a) Exhibit 10cd – Agreement between Todd C. Schermerhorn and C. R. Bard, Inc. dated as of July 28, 2011.
- (b) Exhibit 10ce – Credit Agreement dated as of October 12, 2011, among C. R. Bard, Inc., J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated (as Joint Lead Arrangers and Joint Bookrunners), JPMorgan Chase Bank, N.A. (as Administrative Agent), Bank of America, N.A. (as Syndication Agent) and Barclays Bank PLC, Goldman Sachs Bank USA, Wells Fargo Bank, National Association and Royal Bank of Canada (each as Documentation Agents).
- (c) Exhibit 12.1 – Computation of Ratio of Earnings to Fixed Charges
- (d) Exhibit 31.1 – Rule 13a-14(a) / 15d-14(a) Certification of Chief Executive Officer
- (e) Exhibit 31.2 – Rule 13a-14(a) / 15d-14(a) Certification of Chief Financial Officer
- (f) Exhibit 32.1 – Section 1350 Certification of Chief Executive Officer
- (g) Exhibit 32.2 – Section 1350 Certification of Chief Financial Officer
- (h) 101.INS XBRL Instance Document
- (i) 101.SCH XBRL Taxonomy Extension Schema Document
- (j) 101.CAL XBRL Taxonomy Extension Calculation Linkbase Document
- (k) 101.DEF XBRL Taxonomy Extension Definition Linkbase Document
- (l) 101.LAB XBRL Taxonomy Extension Label Linkbase Document
- (m) 101.PRE XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

C. R. BARD, INC.

(Registrant)

Date: October 26, 2011

/s/ TODD C. SCHERMERHORN

Todd C. Schermerhorn
Senior Vice President and
Chief Financial Officer

/s/ FRANK LUPISELLA JR.

Frank Lupisella Jr.
Vice President and Controller

INDEX TO EXHIBITS

Number

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32.1	Section 1350 Certification of Chief Executive Officer
32.2	Section 1350 Certification of Chief Financial Officer
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

Exhibit 10cd

CONFIDENTIAL AGREEMENT

The parties to this Confidential Agreement (the "Agreement"), entered into as of this 28th day of July, 2011 are Todd C. Schermerhorn ("Executive"), and C.R. Bard, Inc. ("Bard"), sometimes referred to individually as "Party" or collectively as "Parties."

WHEREAS, Executive has served as Bard's Senior Vice President and Chief Financial Officer ("CFO"), and has elected to depart from his employment with Bard; and

WHEREAS, Executive and Bard wish to specify in this Agreement the details of the agreements and understandings relative to Executive's remaining employment with Bard, the transition of the CFO position, and Executive's departure from Bard;

NOW, THEREFORE, in consideration of the promises, mutual covenants and agreements contained in this Agreement, the Parties agree as follows:

1. **Separation Date.** Executive and Bard agree that, subject to the terms and conditions set forth herein, Executive's employment with Bard will terminate effective August 31, 2012 (the "Separation Date"). Executive agrees to continue to fulfill his duties as CFO, or such other duties and responsibilities as may be assigned by Bard, through the Separation Date, and to provide assistance with the transition of his job duties to his successor through the Separation Date. As soon as administratively possible after the Separation Date, Bard will pay Executive for his accrued but unused vacation days.

2. **Separation Benefits.** Subject to continuing satisfaction of the terms and conditions of this Agreement by Executive, and provided that Executive has executed this Agreement, Bard agrees to provide Executive with the following benefits:

(a) **Salary and Benefits.** Bard agrees to provide Executive with payment of his normal base salary and benefits through the Separation Date; provided, however, that payment of Executive's base salary and benefits, and Executive's eligibility under the Benefit Plans set forth in Paragraph 2(c), shall cease immediately upon any termination of Executive's employment prior to the Separation Date either (i) by Executive, or (ii) by Bard with Cause. For purposes of this Agreement, "Cause" shall have the same meaning as in the Agreement relating to Change of Control between Executive and Bard, amended and restated effective October 27, 2005.

(b) **Executive Bonus Plan.** Bard will provide Executive with a lump sum payment, less all legally required withholdings and deductions and any amounts then owed by Executive to Bard, in respect of Executive's pro-rated Executive Bonus Plan bonus for 2012. Executive's pro-rated bonus for 2012 will be determined in accordance with the Bard's normal policies and procedures for the calculation and payment of bonuses under the Executive Bonus Plan, and will be provided to Executive in 2013 when such bonuses are customarily paid by Bard. Executive shall not be entitled to, and shall not receive, any payment under this Paragraph 2(b) in the event Executive's employment is terminated prior to the Separation Date either (i) by Executive, or (ii) by Bard with Cause.

(c) **Benefit Plans.** Executive's rights, if any, under the Supplemental Insurance/Retirement Plan Agreement (Amended and Restated), executed by Executive on October 20, 2005 (the "SI/RP"), the Supplemental Executive Retirement Plan ("SERP"), 2003 Long Term Incentive Plan (Amended and Restated) and relevant grant documents, the 1998 Employee Stock Purchase Plan (Amended and Restated), the Employees' Retirement Plan of C.R. Bard, Inc., the Bard Employees' Savings Trust 401(k) Plan, and any Bard welfare benefit plans (collectively, "Benefit Plans") will continue to be governed by the terms of each such plan.

Executive acknowledges and agrees that the payments and benefits specified in this Agreement are in full and complete satisfaction of any and all liabilities or obligations Bard has or may have to Executive, including but not limited to any and all obligations for salary, pay in lieu of notice, severance pay, bonuses, property, vacation or holiday pay, medical insurance, dental insurance, life insurance, any other benefits and any other claims for payment not specifically mentioned in this Agreement.

3. **References.** Executive may direct all reference inquiries to the Vice President, Human Resources, who shall, if asked: (1) confirm Executive's dates of employment and position held; and (2) state that Bard does not provide any further information in connection with such inquiries.

4. **Other Agreements.**

(a) **Confidential Information.** Executive acknowledges and agrees that, following the execution of this Agreement, the Agreement Relating To Inventions, Trade Secrets, and Confidential Information between Executive and Bard dated February 5, 1991 ("Confidential Information Agreement"), shall remain in full force and effect.

(b) **Non-Competition.** Executive acknowledges and agrees that, following the execution of this Agreement, the Covenant Not To Compete between Executive and Bard, which was executed by Executive on or about January 20, 1997 (the "Non-Compete Agreement"), shall remain in full force and effect.

(c) **Change in Control.** Executive and Bard agree that the Agreement relating to Change of Control between Executive and Bard, amended and restated effective October 27, 2005 (the "Change of Control Agreement") shall terminate as of the Separation Date and be of no further force and effect.

(d) **Indemnification.** Executive and Bard agree that the Indemnity Agreement between Executive and Bard dated as of September 9, 1998 (the "Indemnity Agreement"), shall remain in full force and effect.

5. **Release of Claims.** In further consideration of the pro-rated bonus provided in Paragraph 2(b), Executive agrees to provide a release of claims in the form set forth at Exhibit A hereto, to be executed by Executive on or about the Separation Date. Executive acknowledges and agrees that his execution and non-revocation of such release is a condition to receiving the pro-rated bonus set forth in Paragraph 2(b).

6. **Cooperation.** Following the Separation Date, Executive agrees, on reasonable notice and at reasonable times, to cooperate with Bard at Bard's request in respect of litigation involving Bard or any of its subsidiaries or affiliated companies. Executive will cooperate fully with Bard in connection with any and all existing or future depositions and/or litigation or investigations brought by or against Bard or any of its subsidiaries or affiliated companies or their respective officers, directors, employees, or agents, whether administrative, civil or criminal in nature, in which and to the extent Bard reasonably deems Executive's cooperation necessary. Bard will reimburse Executive for reasonable and customary out-of-pocket expenses incurred by Executive (but not including attorneys' fees) in connection with such cooperation; provided, however, that Executive obtains Bard's written approval of such expenses in advance of being incurred, and Executive provides Bard with a copy of receipts evidencing such expenses.

7. **No Disparagement.** Executive agrees that he shall not at any time engage in any form of conduct, nor make any statements or representations, that disparage or otherwise impair the reputation, goodwill or interests of Bard, its subsidiaries or affiliated entities; their respective Boards of Directors or any of the past or current directors thereof; their respective past or current employees or officers; or their respective past or current shareholders.

8. **Company Property.** Executive agrees to deliver to Bard on or before the Separation Date, or at such other time as may be direct by Bard, all company-related property, equipment, supplies, computers, phones, keys, key cards, files, identification, and, without retaining any copies, all documents and other materials in his possession relating directly or indirectly to any Confidential Information or Trade Secrets (as defined in the Confidential Information Agreement).

9. **No Promises or Inducements.** Executive warrants that no promise or inducement to enter into this Agreement has been offered or made except as set forth in this Agreement, that he is entering into this Agreement without any threat or coercion and without reliance on any statement or representation made on behalf of Bard or by any person employed by or representing Bard, except for the written provisions and promises contained in this Agreement.

10. **Controlling Law.** Should any dispute arise out of or relate to the interpretation, application or breach of this Agreement or related claims, the resolution of such dispute shall be governed by the laws of the State of New Jersey, regardless of any conflicts between the laws of the State of New Jersey and any other jurisdiction. Executive agrees to submit to, and be subject to, the jurisdiction of the courts of the State of New Jersey or the United States District Court for the District of New Jersey in connection with any dispute or litigation arising out of this Agreement. The courts of the State of New Jersey or the United States District Court for the District of New Jersey shall be the exclusive forum for the resolution of any such dispute or litigation.

11. **Severability.** If any provision of this Agreement is declared void or is otherwise unenforceable, Executive and Bard agree that any such provision, or any part thereof, shall be construed consistent with the apparent purpose of the provision to avoid the unenforceability or, in the event that is not possible, the provision shall be severed and all remaining provisions shall remain in full force and effect. However, in the event that the waiver or release of any claim

made by Executive is found to be invalid or unenforceable, then Executive shall promptly execute any documents presented by Bard that would make the waiver or release valid and enforceable.

12. **Successors and Assigns.** This Agreement shall be binding upon, enforceable by and inure to the benefit of Executive’s personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees, and Bard and any successor to all or substantially all of the business and/or assets of Bard.

13. **Section 409A Compliance.** The payments and benefits under this Agreement are intended to comply with or be exempt from Section 409A of the Internal Revenue Code of 1986, as amended, and the interpretative guidance thereunder (“Section 409A”), including the exceptions for short-term deferrals, separation pay arrangements, reimbursements, and in-kind distributions, and shall be administered accordingly. The Agreement shall be construed and interpreted with such intent. If any provision of this Agreement needs to be revised to satisfy the requirements of Section 409A, then such provision shall be modified or restricted to the extent and in the manner necessary to be in compliance with such requirements and any such modification will attempt to maintain the same economic results as were intended under this Agreement. Bard cannot guarantee that the payments and benefits that may be paid or provided pursuant to this Agreement will satisfy all applicable provisions of Section 409A. Each payment under this Agreement is intended to be treated as one of a series of separate payment for purposes of Section 409A and Treasury Regulation § 1.409A-2(b)(2) (iii) (or any similar or successor provisions).

14. **Entire Agreement.** This Agreement supersedes any other oral or written agreements regarding the subject matter hereof, including without limitation any Bard severance plan, and contains all of the Parties’ promises, understandings and agreements and may not be changed or altered except by a writing signed by Executive and Bard. This Agreement is an integrated document and the consideration stated in it is the sole consideration for this Agreement. Notwithstanding the foregoing, and except as modified by this Agreement, the terms of the Confidential Information Agreement, the Non-Compete Agreement, the Indemnity Agreement, and the Plans and documents identified in Paragraphs 2(a) and 2(d) shall continue in full force and effect following the execution of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first written above.

TODD C. SCHERMERHORN

C.R. BARD, INC.

/s/ Todd C. Schermerhorn
Todd C. Schermerhorn

By: /s/ Bronwen K. Kelly

Its: Vice President-Human Resources

Dated: August 1, 2011

Dated: August 1, 2011

EXHIBIT A**RELEASE AGREEMENT**

This Release Agreement (“Release”) entered into as of this ___ day of _____, 201_ are Todd C. Schermerhorn (“Executive”), and C.R. Bard, Inc. (“Bard”), sometimes referred to individually as “Party” or collectively as “Parties.”

WHEREAS, Employer and Executive are parties to a Confidential Agreement dated July 28, 2011 (the “Agreement”); and

WHEREAS, the Agreement provides for the execution by Executive of this Release on or about the Separation Date (as defined in the Agreement);

NOW, THEREFORE, for good and adequate consideration set forth in the Agreement and this Release, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **Compliance with Agreement.** Executive represents and warrants that he has complied with all terms of the Agreement, the Confidential Information Agreement and the Non-Compete Agreement. Executive agrees that Bard has complied with all the terms of the Agreement and has provided all payments and benefits due thereunder as of the date of this Release.

2. **Payment.** Executive acknowledges and agrees that his execution and non-revocation of, and compliance with, this Release was and is a condition to the Bard’s provision of the pro-rated bonus described in Paragraph 2(b) of the Agreement.

3. **Release of Claims.**

(a) In exchange for the consideration set forth in Paragraph 2 of the Agreement, Executive on behalf of himself, and for any person who may claim by or through him, hereby releases and discharges Bard and its present, past and future agents, employees, officers, directors, shareholders, subsidiaries, affiliated entities, predecessors, successors and assigns (collectively, the “Released Parties”) from liability for the following claims or causes of action Executive has or may have as of the date on which Executive executed this Release, whether known or unknown, under all theories and all laws or regulations:

(i) all claims related to Executive’s employment or separation from employment with Bard;

(ii) all claims related to Title VII of the Civil Rights Act of 1964, as amended, the Age Discrimination in Employment Act as amended by the Older Workers Benefit Protection Act of 1990, the Americans with Disabilities Act, the Employee Retirement Income Security Act, as amended, the New Jersey Law Against Discrimination and all other local, state, and federal laws relating to discrimination;

(iii) all claims of breach of contract or public policy, wrongful or retaliatory discharge, breach of fiduciary duty, breach of the duty of good faith and fair dealings, interference with contract, misappropriation of intellectual property, wrongful or bad faith termination, intentional or negligent infliction of emotional distress, and all other employment-related torts; and

(iv) all rights to, or claims for, payments, wages, bonuses, separation or severance benefits or other compensation, expenses of any kind, attorneys' fees and costs, except as expressly provided in this Agreement.

(b) Executive understands that this Release shall not be construed to prevent Executive from participating in or cooperating with any state or federal agency investigation or charge of discrimination. However, Executive expressly waives his right to any form of recovery or relief should any agency (such as the Equal Employment Opportunity Commission) pursue any claims on Executive's behalf.

(c) Executive understands that the consideration given to him under this Agreement does not constitute an admission by the Released Parties that they have violated any such law or legal obligation.

(d) For the avoidance of doubt, nothing in this Release constitutes a release by Executive of any rights he may have under the Indemnity Agreement dated as of September 9, 1998, or for any right to indemnification or contribution Executive may have against Bard by operation of law, or under Bard's By-Laws as amended and restated, Bard's Restated Certificate of Incorporation or the terms of any applicable directors' and officers' liability policy (the "Charter Documents"), nor an agreement by Executive not to file any suit or complaint to enforce the Agreement, the Release or the Indemnity Agreement or any right Executive may have to indemnification or contribution by operation of law or under any of the Charter Documents, nor a waiver of any monetary or other damages or any form of recovery or relief with respect to claims arising from the Indemnity Agreement or from any right Executive may have to indemnification or contribution by operation of law or under the Charter Documents or claims under the Agreement or this Release.

4. **No Assignment of Claims.** Executive represents and warrants that he has not sold, assigned, transferred, conveyed or otherwise disposed of to any third party, by operation of law or otherwise, any action, cause of action, debt, obligation, contract, agreement, covenant, guarantee, judgment, damage, claim, counterclaim, liability, or demand of any nature whatsoever against or relating to the Released Parties, or any other matter covered by this Release. Executive further represents and warrants that he has not filed or initiated any legal, equitable, administrative or any other proceedings against any of the Released Parties, and that no such proceeding has been filed or initiated on his behalf.

5. **Controlling Law.** Should any dispute arise out of or relate to the interpretation, application or breach of this Release or related claims, the resolution of such dispute shall be governed by the laws of the State of New Jersey, regardless of any conflicts between the laws of the State of New Jersey and any other jurisdiction. Executive agrees to submit to, and be subject to, the jurisdiction of the courts of the State of New Jersey or the United States District Court for

the District of New Jersey in connection with any dispute or litigation arising out of the Agreement or this Release. The courts of the State of New Jersey or the United States District Court for the District of New Jersey shall be the exclusive forum for the resolution of any such dispute or litigation.

6. Consideration and Revocation Periods. Executive acknowledges and agrees that he has had at least twenty-one (21) days to consider this Release, and that any modification to this Release, material or otherwise, does not restart, extend or affect in any way the original 21-day consideration period. Executive acknowledges and agrees that he has read this Release and understands, accepts and agrees to its contents and signs it voluntarily without coercion and with full understanding that he is releasing and waiving any and all claims that he has or might have against the Released Parties, including any claims connected with his employment or separation. Executive understands that he has seven (7) days after signing this Release to revoke it and that the Release does not become effective or enforceable until this seven (7) day revocation period has expired. If this Release is revoked by Executive, Executive shall have no right to the payments and benefits set forth in Paragraph 2 of the Agreement, and Bard shall have no obligations to Executive under the Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Release as of the day and year first written above.

TODD C. SCHERMERHORN

C.R. BARD, INC.

Todd C. Schermerhorn

By: _____

Its: _____

Dated: _____

Dated: _____

CREDIT AGREEMENT

dated as of

October 12, 2011

C. R. BARD, INC.

J.P. MORGAN SECURITIES LLC
and
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,
as Joint Lead Arrangers and Joint Bookrunners

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

BANK OF AMERICA, N.A.,
as Syndication Agent

BARCLAYS BANK PLC,
GOLDMAN SACHS BANK USA,
WELLS FARGO BANK, NATIONAL ASSOCIATION
and
ROYAL BANK OF CANADA,
as Documentation Agents

\$600,000,000

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CREDIT AGREEMENT dated as of October 12, 2011, between C. R. BARD, INC., the LENDERS party hereto, and JPMORGAN CHASE BANK, N.A., as Administrative Agent.

The parties hereto agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Defined Terms

As used in this Agreement, the following terms have the meanings specified below:

“ABR”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans constituting such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

“Administrative Agent” means JPMCB, in its capacity as administrative agent for the Lenders hereunder, and any successors thereto pursuant to Article VIII.

“Administrative Agent’s Office” means the Administrative Agent’s office and, as appropriate, account or accounts, as designated from time to time by the Administrative Agent in a notice to the Borrower and the Lenders.

“Administrative Questionnaire” means an administrative questionnaire in a form supplied by the Administrative Agent.

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Agreement” means this Credit Agreement.

“Alternate Base Rate” means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus 0.50% and (c) the LIBO Rate for the offering of Dollar deposits for a one month Interest Period commencing on such day plus 1.00%. For purposes of clause (c) of this definition, such LIBO Rate for any day shall be determined by the Administrative Agent based upon rate appearing on Reuters LIBOR01 Page and otherwise in accordance with the definition of “LIBO Rate”, except that (i) if a given day is a Business Day, such determination shall be made on such day (rather than two Business Days prior to the commencement of an Interest Period) or (ii) if a given day is not a Business Day, such rate for such day shall be the rate determined by the Administrative Agent pursuant to the preceding clause (i) for the most recent Business Day preceding such day. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or such LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or such LIBO Rate, as the case may be.

“Applicable Interest Rate” has the meaning assigned to such term in Section 2.12(a).

“Applicable Percentage” means, with respect to any Lender, the percentage of the total Commitments represented by such Lender’s Commitment; provided that in the case of Section 2.19 when

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a Defaulting Lender shall exist, “Applicable Percentage” shall mean the percentage of the total Commitments (disregarding any Defaulting Lender’s Commitment) represented by such Lender’s Commitment. If the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments and to any Lender’s status as a Defaulting Lender at the time of determination.

“Applicable Rate” means, for any day, with respect to any ABR Loan or Eurodollar Loan, or with respect to the facility fees payable hereunder, as the case may be, the applicable rate per annum set forth below under the caption “ABR Spread”, “Eurodollar Spread” or “Facility Fee Rate”, respectively, based upon the ratings by Moody’s and S&P, respectively, applicable on such date to the Index Debt; provided that, with respect to any Extended Commitment, such applicable rates shall be as agreed to by the Borrower and the applicable Lenders pursuant to the applicable Extension Offer:

<u>Index Debt Ratings S&P/Moody’s</u>	<u>ABR Spread</u>	<u>Eurodollar Spread</u>	<u>Facility Fee Rate</u>
<u>Category 1</u> >A+/A1	0%	0.575%	0.05%
<u>Category 2</u> A/A2	0%	0.67%	0.08%
<u>Category 3</u> A-/A3	0%	0.775%	0.10%
<u>Category 4</u> BBB+/Baa1	0%	0.875%	0.125%
<u>Category 5</u> BBB/Baa2	0%	0.975%	0.15%
<u>Category 6</u> BBB-/Baa3 or lower	0.05%	1.05%	0.20%

For purposes of the foregoing, (i) if either Moody’s or S&P (but not both) shall not have in effect a rating for the Index Debt (other than by reason of the circumstances referred to in the last sentence of this definition), then the Applicable Rate shall be based upon the remaining rating; (ii) if the ratings established or deemed to have been established by Moody’s and S&P for the Index Debt shall fall within different Categories, the Applicable Rate shall be based on the higher of the two ratings unless one of the two ratings is two or more Categories lower than the other, in which case the Applicable Rate shall be determined by reference to the Category next below that of the higher of the two ratings; and (iii) if the ratings established or deemed to have been established by Moody’s and S&P for the Index Debt shall be changed (other than as a result of a change in the rating system of Moody’s or S&P), such change shall be effective as of the date on which it is first announced by the applicable rating agency. Each change in the Applicable Rate shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change. If the rating system of Moody’s or S&P shall change, or if either such rating agency shall cease to be in the business of rating corporate debt obligations, the Borrower and the Lenders shall negotiate in good faith to amend this

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definition to reflect such changed rating system or the unavailability of ratings from such rating agency and, pending the effectiveness of any such amendment and except in circumstances where clause (i) of the first sentence of this paragraph applies, the Applicable Rate shall be determined by reference to the rating most recently in effect prior to such change or cessation.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent and the Borrower.

“Assuming Lender” has the meaning assigned to such term in Section 2.06(c).

“Auto-Renewal Letter of Credit” has the meaning assigned to such term in Section 2.18(c).

“Availability Period” means the period from and including the Effective Date to but excluding the earlier of the Commitment Termination Date and the date of termination of the Commitments.

“Bankruptcy Code” means Title 11 of the United States Code entitled “Bankruptcy.”

“Bankruptcy Event” means, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, provided, further, that such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

“Basel III” has the meaning assigned to such term in the definition of “Change in Law” in this Section.

“Board” means the Board of Governors of the Federal Reserve System of the United States of America.

“Borrower” means C. R. Bard, Inc., a New Jersey corporation.

“Borrower’s 2010 Annual Report” means the Borrower’s annual report on Form 10-K for 2010, as filed with the SEC pursuant to the Securities Exchange Act.

“Borrowing” means (a) Revolving Loans of the same Type made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect or (b) a Swingline Loan.

“Borrowing Request” means a request by the Borrower for a Revolving Borrowing in accordance with Section 2.03.

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“Business Day” means (a) any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed and (b) if such day relates to a borrowing of, a payment or prepayment of principal of or interest on, a continuation or conversion of or into, or the Interest Period for, a Eurodollar Borrowing (or any notice by the Borrower with respect thereto), that is also a day on which dealings in Dollar deposits are carried out in the London interbank market.

“Capital Lease Obligations” of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP; provided that any operating lease that is required at any time to be characterized as a Capital Lease Obligation as a result of a change in GAAP following the date hereof shall not be treated as a Capital Lease Obligation for purposes hereof.

“Cash Collateralize” means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of the Administrative Agent, any Issuing Bank or the Swingline Lender (as applicable) and the Lenders, as collateral for L/C Exposure, Obligations in respect of Swingline Loans, or obligations of Lenders to fund participations in respect of either thereof (as the context may require), cash or deposit account balances or, if the relevant Issuing Bank or the Swingline Lender, as applicable, benefitting from such collateral agrees in its sole discretion, other credit support, in each case pursuant to documentation in form and substance reasonably satisfactory to (a) the Administrative Agent and (b) the relevant Issuing Bank or Swingline Lender (as applicable) (which documents are hereby consented to by the Lenders). “Cash Collateral” shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

“Change in Law” means the occurrence after the date of this Agreement or, with respect to any Lender, such later date on which such Lender becomes a party to this Agreement of: (a) the adoption of any law, rule, regulation or treaty, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority or (c) the compliance by any Lender or any Issuing Bank (or, for purposes of Section 2.12(c), by any lending office of such Lender or by such Lender’s or such Issuing Bank’s holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after such date; provided that, notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder issued in connection therewith (all such requests, rules, guidelines and directives under this clause (i) being referred to as “DFA”) and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities (all such requests, rules, guidelines and directives under this clause (ii) being referred to as “Basel III”) shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“Class”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans constituting such Borrowing, are Revolving Loans or Swingline Loans.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Commitment” means, with respect to each Lender, the commitment of such Lender to make Revolving Loans and to acquire participations in Swingline Loans and/or Letters of Credit hereunder, expressed as an amount representing the maximum aggregate amount of such Lender’s Revolving Credit Exposure hereunder, as such commitment may be (a) reduced or increased from time to

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time pursuant to Section 2.06 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The amount of each Lender's Commitment as of the Effective Date is set forth on Schedule 1.01, or in the Assignment and Assumption or other agreement pursuant to which such Lender shall have assumed its Commitment, as applicable. As of the Effective Date, the aggregate amount of the Commitments is \$600,000,000.

“Commitment Increase” has the meaning assigned to such term in Section 2.06(c).

“Commitment Increase Date” has the meaning assigned to such term in Section 2.06(c).

“Commitment Termination Date” means October 12, 2016 (or, if such day is not a Business Day, the immediately preceding Business Day) (or, in the case of any Extended Commitments, the date specified in the applicable Extension Offer).

“Consolidated Debt” means, at any date, the Indebtedness of the Borrower and its Subsidiaries, to the extent the same should be set forth on a consolidated balance sheet of the Borrower and its Subsidiaries (excluding items which appear solely in the footnotes thereto) in accordance with GAAP.

“Consolidated Debt to Capital Ratio” means, at any time, the ratio of Consolidated Debt to Total Capital at such time.

“Consolidated Net Worth” means, at any date, the consolidated stockholders' equity of the Borrower and its Subsidiaries (determined on a consolidated basis without duplication in accordance with GAAP) at such date.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlled” has a meaning correlative thereto.

“Debtor Relief Laws” means the Bankruptcy Code, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

“Default” means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“Default Rate” means (a) when used with respect to Obligations other than Letter of Credit fees, an interest rate equal to (i) the Alternate Base Rate plus (ii) the Applicable Rate, if any, applicable to ABR Loans plus (iii) 2.00% per annum; provided, however, that with respect to a Eurodollar Rate Loan, the Default Rate shall be an interest rate equal to the interest rate (including any Applicable Rate) otherwise applicable to such Loan plus 2% per annum, and (b) when used with respect to Letter of Credit fees, a rate equal to the Applicable Rate plus 2.00% per annum.

“Defaulting Lender” means any Lender that (a) has failed, within two Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or Swingline Loans or (iii) pay over to the Administrative Agent, an Issuing Bank, the Swingline Lender or any other Lender any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender's good faith determination that a condition precedent

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to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Borrower or the Administrative Agent in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender's good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three Business Days after request by the Administrative Agent, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations to fund prospective Loans and participations in then outstanding Letters of Credit and Swingline Loans under this Agreement, provided, however, that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon the Administrative Agent's receipt of such certification, or (d) has become the subject of a Bankruptcy Event.

"Derivatives Obligations" means, for any Person, all obligations of such Person in respect of any rate swap transaction, basis swap, forward rate transaction, forward purchase, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or other similar transaction (including any option with respect to any of the foregoing transactions) or any combination of the foregoing transactions. For purposes of determining the amount of any Derivatives Obligation, the payment obligations of the Borrower or any Subsidiary in respect of such Derivatives Obligation at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that the Borrower or such Subsidiary would be required to pay if such obligation were terminated at such time.

"DFA" has the meaning assigned to such term in the definition of "Change in Law" in this Section.

"Disclosed Matters" means the actions, suits and proceedings disclosed in Schedule 3.06(a), the environmental matters disclosed in Schedule 3.06(b) and the intellectual property matters disclosed in Schedule 3.06(c).

"Dollars" or "\$" refers to the lawful currency of the United States of America.

"Effective Date" means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 9.02), which shall not be later than October 31, 2011.

"Environmental Laws" means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, release or threatened release of any Hazardous Material or to the effect of the environment on human health.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower or any Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

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“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time.

“ERISA Affiliate” means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code, or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

“ERISA Event” means (a) any “reportable event”, as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) the existence with respect to any Plan of an “accumulated funding deficiency” (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (g) the receipt by the Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

“Eurodollar”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans constituting such Borrowing, are bearing interest at a rate determined by reference to the LIBO Rate.

“Events of Default” has the meaning assigned to such term in Article VII.

“Excluded Subsidiary” means, at any date, any Subsidiary which has both total assets as at the end of the most recently completed fiscal year for which financial statements have been furnished pursuant to Section 5.01 and revenues for such fiscal year of less than 5% of the consolidated assets and consolidated revenues, respectively, of the Borrower and its Subsidiaries (determined on a consolidated basis without duplication in accordance with GAAP) as of the end of, or for, such fiscal year.

“Excluded Taxes” means, with respect to the Administrative Agent, any Lender or any Issuing Bank, (a) income or franchise Taxes imposed on (or measured by) its net income by the United States of America, or by the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, (b) any branch profits Taxes imposed by the United States of America or any similar Tax imposed by any other jurisdiction in which the Borrower is organized or has its principal place of business, (c) in the case of any Lender or any Issuing Bank (other than an assignee pursuant to a request by the Borrower under Section 2.16(b)), any U.S. Federal withholding Tax that (i) is in effect and would apply to amounts payable to such Lender or such Issuing Bank at the time such Lender or such Issuing Bank becomes a party to this Agreement or (ii) is attributable to such Lender’s or such Issuing Bank’s failure or inability (other than as a result of a Change in Law after the date such Lender or such Issuing Bank becomes a party to this Agreement) to comply with Section 2.14(f) and (d) any Taxes imposed under FATCA.

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“Existing Credit Agreement” means the First Amended and Restated Credit Agreement dated as of June 28, 2007 between the Borrower, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent.

“Extended Commitment” has the meaning assigned to such term in Section 2.06(d).

“Extended Revolving Loans” has the meaning assigned to such term in Section 2.06(d).

“Extension” has the meaning assigned to such term in Section 2.06(d).

“Extension Offer” has the meaning assigned to such term in Section 2.06(d).

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement, and any amended or successor provisions that are substantially similar, and any current or future regulations or official interpretations thereof.

“Federal Funds Effective Rate” means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

“Financial Officer” means the chief financial officer, principal accounting officer, treasurer or controller of the Borrower.

“GAAP” means generally accepted accounting principles in the United States of America.

“Governmental Authority” means any nation or government, or state or political subdivision thereof, and any agency, authority, instrumentality, regulatory body, court, administrative tribunal, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“Guarantee” of or by any Person (the “guarantor”) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness; provided, that the term “Guarantee” shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Guarantee of any guarantor shall be deemed to be the lower of (i) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee is made and (ii) the maximum amount for which such guarantor may be liable pursuant to the terms of the instrument embodying such Guarantee, unless such primary obligation and the maximum amount for

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which such guarantor may be liable are not stated or determinable, in which case the amount of such Guarantee shall be such guarantor's maximum reasonably anticipated liability in respect thereof as determined by the Borrower in good faith.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"Increasing Lender" has the meaning assigned to such term in Section 2.06(c).

"Indebtedness" of any Person means, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (d) all Capital Lease Obligations of such Person, (e) all non-contingent obligations (and, for purposes of Section 6.01 and the definitions of "Material Indebtedness" and "Material Financial Obligations", all contingent obligations) of such Person to reimburse any bank or other Person in respect of amounts paid under a letter of credit or similar instrument, (f) all Indebtedness secured by a Lien on any asset of such Person, whether or not such Indebtedness is otherwise an obligation of such Person and (g) all Guarantees by such Person of Indebtedness of others. Notwithstanding the foregoing, for the purposes of this Agreement, Indebtedness shall not include up to \$100,000,000 aggregate amount of borrowings that are offset by deposits maintained by the Borrower or one of its Subsidiaries with the lender in respect of such borrowings or one of such lender's Subsidiaries.

"Indemnified Taxes" means (a) Taxes (other than Excluded Taxes) imposed on or with respect to any payment made by or on account of any obligation of the Borrower under this Agreement or any other Loan Document and (b) to the extent not otherwise described in clause (a) above, Other Taxes.

"Indemnitee" has the meaning assigned to such term in Section 9.03(b).

"Index Debt" means senior, unsecured, long term indebtedness for borrowed money of the Borrower that is not guaranteed by any other Person or subject to any other credit enhancement.

"Interest Election Request" means a request by the Borrower to convert or continue a Revolving Borrowing in accordance with Section 2.05.

"Interest Payment Date" means (a) with respect to any ABR Loan (other than a Swingline Loan), the last day of each March, June, September and December, (b) with respect to any Eurodollar Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurodollar Borrowing with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period and (c) with respect to any Swingline Loan, the day that such Loan is required to be repaid.

"Interest Period" means, for any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months thereafter, as specified in the applicable Borrowing Request or Interest Election Request; provided that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the

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next preceding Business Day, and (ii) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and, in the case of a Revolving Borrowing, thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

“Issuing Bank” means (a) JPMCB and (b) each other Lender selected from time to time by the Borrower to be an Issuing Bank hereunder (provided that such Lender shall be reasonably acceptable to the Administrative Agent and has agreed to be an Issuing Bank hereunder in a writing satisfactory to the Administrative Agent, executed by such Lender, the Borrower and the Administrative Agent), each in its capacity as an issuer of Letters of Credit hereunder, or any successor issuer of Letters of Credit hereunder. An Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of such Issuing Bank, in which case the term “Issuing Bank” shall include any such Affiliate with respect to any Letter of Credit issued by such Affiliate.

“Joint Lead Arrangers” means the Joint Lead Arrangers and Joint Bookrunners listed on the cover page of this Agreement.

“JPMCB” means JPMorgan Chase Bank, N.A.

“L/C Advance” means, as to any Lender, such Lender’s funding of its participation in any L/C Borrowing in accordance with its Applicable Percentage.

“L/C Application” means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by the relevant Issuing Bank.

“L/C Borrowing” means an extension of credit resulting from a drawing under any Letter of Credit that has not been reimbursed by the Borrower on the date when made or refinanced as a Revolving Borrowing.

“L/C Credit Extension” means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

“L/C Documents” means, as to any Letter of Credit, each L/C Application and any other document, agreement and instrument entered into by the relevant Issuing Bank and the Borrower in favor of such Issuing Bank and relating to such Letter of Credit.

“L/C Exposure” means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (b) the aggregate amount of all Unreimbursed Amounts, including L/C Borrowings, in respect of such Letters of Credit at such time. The L/C Exposure of any Lender at any time shall be its Applicable Percentage of the total L/C Exposure at such time.

“L/C Sublimit” means, at any time, the lesser of (a) \$100,000,000 and (b) the total Commitments.

“Lenders” means the Persons listed on Schedule 1.01 and any other Person that shall have become a lender party hereto pursuant an Assignment and Assumption or any other agreement entered into hereunder by such Person pursuant to which such Person becomes a Lender, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption. Unless the context otherwise requires, the term “Lenders” includes the Swingline Lender.

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“Letter of Credit” means any standby letter of credit issued pursuant to this Agreement.

“LIBO Rate” means, for the Interest Period for any Eurodollar Borrowing, the rate (but not less than zero) appearing on Reuters Page LIBOR01 (or on any successor or substitute page of such Service, or any successor to or substitute for such Service, providing rate quotations comparable to those currently provided on such page of such Service, as determined by the Administrative Agent, with written notice to the Borrower, from time to time for purposes of providing quotations of interest rates applicable to Dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for the offering of Dollar deposits with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the LIBO Rate for such Interest Period shall be the rate (but not less than zero) at which Dollar deposits of \$5,000,000 and for a maturity comparable to such Interest Period are offered by the principal London office of the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

“Lien” means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset and (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset.

“Loan Documents” means, collectively, this Agreement, the promissory notes (if any) issued pursuant to Section 2.07(f) and the L/C Documents.

“Loans” means the loans made by the Lenders to the Borrower pursuant to this Agreement.

“Margin Stock” means “margin stock” within the meaning of Regulations T, U and X of the Board.

“Material Adverse Effect” means a material adverse effect on (a) the business, assets, operations or financial condition of the Borrower and its Subsidiaries, taken as a whole, (b) the ability of the Borrower to perform any of its payment obligations in respect of principal, interest or fees under this Agreement or (c) the rights of or benefits available, taken as a whole, to the Lenders under this Agreement.

“Material Financial Obligations” means a principal or face amount of Indebtedness and/or payment obligations in respect of Derivatives Obligations of the Borrower and/or one or more of its Subsidiaries, arising in one or more related or unrelated transactions, exceeding in the aggregate \$100,000,000.

“Material Indebtedness” means Indebtedness (other than the Loans and Letters of Credit) of the Borrower and/or one or more of its Subsidiaries, arising in one or more related or unrelated transactions, exceeding an aggregate principal amount of \$100,000,000.

“Moody’s” means Moody’s Investors Service, Inc.

“Multiemployer Plan” means a “multiemployer plan” as defined in Section 4001(a)(3) of ERISA.

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“Non-Consenting Lender” has the meaning assigned to such term in Section 9.02(b).

“Nonrenewal Notice Date” has the meaning assigned to such term in Section 2.18(c).

“Non-U.S. Lender” means a Lender that is not a U.S. Person.

“Obligations” means, collectively, all of the Indebtedness, liabilities and obligations of the Borrower to the Administrative Agent, the Lenders, the Swingline Lender and/or the Issuing Banks arising under this Agreement and the other Loan Documents (including all reimbursement obligations in respect of Letters of Credit and all obligations in respect of Extended Commitments), in each case whether fixed, contingent, now existing or hereafter arising, created, assumed, incurred or acquired, and whether before or after the occurrence of any Event of Default under clause (h) or (i) of Article VII and including any obligation or liability in respect of any breach of any representation or warranty and all post-petition interest and funding losses, whether or not allowed as a claim in any proceeding arising in connection with such an event.

“Other Taxes” means any and all present or future stamp or documentary taxes or any other similar excise or property taxes, charges or similar levies arising from any payment made under this Agreement or any other Loan Document from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

“Participant” has the meaning assigned to such term in Section 9.04(c).

“Participant Register” has the meaning assigned to such term in Section 9.04(c).

“PBGC” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

“Permitted Encumbrances” means:

(a) Liens imposed by law, rule or regulation for taxes that are not yet due or are being contested in compliance with Section 5.04;

(b) carriers’, warehousemen’s, landlords’, mechanics’, materialmen’s, repairmen’s and other like Liens imposed by law, rule or regulation, arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days or are being contested in compliance with Section 5.04;

(c) pledges and deposits made in the ordinary course of business in compliance with workers’ compensation, unemployment insurance and other social security laws, rules or regulations;

(d) cash deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(e) judgment liens in respect of judgments that do not constitute an Event of Default under clause (k) of Article VII; and

(f) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law, rule or regulation or arising in the ordinary course of business that do

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not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Borrower or any Subsidiary;

provided that the term “Permitted Encumbrances” shall not include any Lien securing Indebtedness.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Plan” means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

“Prime Rate” means the rate of interest per annum publicly announced from time to time by JPMCB as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

“Register” has the meaning assigned to such term in Section 9.04(b)(iv).

“Related Parties” means, with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person’s Affiliates.

“Required Lenders” means, at any time, Lenders having Revolving Credit Exposures and unused Commitments representing more than 50% of the sum of the total Revolving Credit Exposures and unused Commitments at such time.

“Revolving Borrowing” means a borrowing of a Revolving Loan.

“Revolving Credit Exposure” means, with respect to any Lender at any time, the sum of (a) the outstanding principal amount of such Lender’s Revolving Loans, (b) such Lenders’ L/C Exposure and (c) such Lender’s Swingline Exposure at such time.

“Revolving Loan” means a Loan made pursuant to Section 2.01.

“S&P” means Standard & Poor’s Financial Services LLC.

“SEC” means the United States Securities and Exchange Commission or any successor agency.

“Securities Exchange Act” means Securities Exchange Act of 1934, as amended.

“Statutory Reserve Rate” means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the Administrative Agent is subject, with respect to the LIBO Rate, for eurocurrency funding (currently referred to as “Eurocurrency liabilities” in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. Eurodollar Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The

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Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

“Subsidiary” means, with respect to any Person, any corporation or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned by such Person. Unless otherwise specified, “Subsidiary” means a Subsidiary of the Borrower.

“Successor Corporation” has the meaning assigned to such term in Section 6.02.

“Swingline Borrowing” means a borrowing of a Swingline Loan.

“Swingline Exposure” means, at any time, the aggregate principal amount of all Swingline Loans outstanding at such time. The Swingline Exposure of any Lender at any time shall be its Applicable Percentage of the total Swingline Exposure at such time.

“Swingline Lender” means JPMCB, in its capacity as lender of Swingline Loans hereunder.

“Swingline Loan” means a loan made by the Swingline Lender to the Borrower pursuant to Section 2.17.

“Swingline Sublimit” means \$25,000,000.

“Taxes” means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Total Capital” means, at any date, the sum of (a) Consolidated Debt plus (b) the Consolidated Net Worth at such date.

“tranche” has the meaning assigned to such term in Section 2.06(d).

“Transactions” means the execution, delivery and performance by the Borrower of this Agreement and the other Loan Documents, the borrowing of Loans, the use of the proceeds thereof and the issuance, amendment or extension of Letters of Credit hereunder.

“Type”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans constituting such Borrowing, is determined by reference to the LIBO Rate or the Alternate Base Rate.

“Unreimbursed Amount” has the meaning assigned to such term in Section 2.18(d)(i).

“U.S. Person” means a “United States person” within the meaning of Section 7701(a)(30) of the Code.

“Withdrawal Liability” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02. Classification of Loans and Borrowings

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For purposes of this Agreement, Loans may be classified and referred to by Class (e.g., a “Revolving Loan”), by Type (e.g., a “Eurodollar Loan”) or by Class and Type (e.g., a “Eurodollar Revolving Loan”). Borrowings also may be classified and referred to by Class (e.g., a “Revolving Borrowing”), by Type (e.g., a “Eurodollar Borrowing”) or by Class and Type (e.g., a “Eurodollar Revolving Borrowing”).

SECTION 1.03. Terms Generally

The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.04. Accounting Terms; GAAP

Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith in a manner satisfactory to the Borrower and the Required Lenders.

ARTICLE II

THE CREDITS

SECTION 2.01. The Commitments

Subject to the terms and conditions set forth herein, each Lender agrees to make Revolving Loans in Dollars to the Borrower from time to time during the Availability Period in an aggregate principal amount that will not result, after giving effect thereto and the use of proceeds thereof, in (i) such Lender’s Revolving Credit Exposure exceeding such Lender’s Commitment or (ii) the total Revolving Credit Exposures of all Lenders exceeding the total Commitments. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Revolving Loans.

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SECTION 2.02. Loans and Borrowings

(a) Obligations of Lenders. Each Revolving Loan shall be made as part of a Borrowing consisting of Revolving Loans of the same Type made by the Lenders ratably in accordance with their respective Commitments. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Type of Loans. Subject to Section 2.11, each Revolving Borrowing shall be constituted entirely of ABR Loans or Eurodollar Loans as the Borrower may request in accordance herewith. Each Swingline Loan shall be an ABR Loan. Each Lender at its option may make any Eurodollar Loan by causing any U.S. or foreign branch or Affiliate of such Lender to make such Loan (and such Lender shall, to the extent of Revolving Loans made to, and participations in Letters of Credit issued for the account of, the Borrower, be deemed for all purposes hereof to have pro tanto assigned such Revolving Loans and participations to such Affiliate in compliance with the provisions of Section 9.04); provided that (i) any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement and (ii) unless the Borrower requests that an Affiliate (or foreign branch or office) of a Lender shall make a Loan, a Lender may not recover any amounts under Section 2.12 or 2.14 incurred solely as a result of an Affiliate (or foreign branch or office) of such Lender, rather than such Lender, making a Loan, if such Loan could have been made in a manner that would have avoided such amounts under Section 2.12 or 2.14.

(c) Minimum Amounts; Limitation on Number of Borrowings. Each Eurodollar Revolving Borrowing shall be in an aggregate amount of \$5,000,000 or a larger multiple of \$1,000,000. Each ABR Borrowing shall be in an aggregate amount equal to \$5,000,000 or a larger multiple of \$1,000,000; provided that an ABR Revolving Borrowing may be in an aggregate amount that (i) is equal to the entire unused balance of the total Commitments or (ii) is required to finance the repayment of a Swingline Loan as contemplated by Section 2.17(c) or the reimbursement of a drawing under a Letter of Credit as contemplated by Section 2.18(d). Borrowings of more than one Class and Type may be outstanding at the same time; provided that there shall not at any time be more than a total of fifteen Eurodollar Revolving Borrowings outstanding.

(d) Limitations on Interest Periods. Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request (or to elect to convert to or continue as a Eurodollar Revolving Borrowing) any Borrowing if the Interest Period requested therefor would end after the Commitment Termination Date.

SECTION 2.03. Requests for Revolving Borrowings

(a) Notice by the Borrower. To request a Revolving Borrowing, the Borrower shall notify the Administrative Agent of such request by telephone:

(i) in the case of a Eurodollar Borrowing, not later than 12:00 noon, New York City time, three Business Days before the date of the proposed Borrowing;

(ii) in the case of an ABR Borrowing, not later than 12:00 noon, New York City time, on the date of the proposed Borrowing.

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Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or fax to the Administrative Agent of a written Borrowing Request in a form approved by the Administrative Agent and signed by the Borrower.

(b) Content of Borrowing Requests. Each telephonic and written Borrowing Request in respect of any requested Revolving Borrowing shall specify the following information in compliance with Section 2.02:

(i) the aggregate amount of such Borrowing;

(ii) the date of such Borrowing, which shall be a Business Day;

(iii) whether such Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing;

(iv) in the case of a Eurodollar Borrowing, the Interest Period therefor; and

(v) the location and number of the Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.04.

(c) Notice by the Administrative Agent to the Lenders. Promptly following receipt of a Borrowing Request for a Borrowing in accordance with this Section, the Administrative Agent shall advise each of the Lenders under the applicable Commitments of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

(d) Failure to Elect. If no election as to the Type of a Revolving Borrowing is specified, then the requested Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested Eurodollar Borrowing, the requested Borrowing shall be made instead as an ABR Borrowing.

SECTION 2.04. Funding of Borrowings

(a) Funding by the Lenders. Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 12:00 noon (or, in the case of an ABR Borrowing, 2:00 p.m.), New York City time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders; provided that Swingline Loans shall be made as provided in Section 2.17. The Administrative Agent will make such Loans available to the Borrower by promptly remitting by wire transfer such funds so received, or crediting of such funds to an account of the Borrower maintained with the Administrative Agent and designated by the Borrower, in like funds in accordance with the instructions provided in the applicable Borrowing Request; provided that ABR Borrowings made to finance the reimbursement of an L/C Borrowing as provided in Section 2.18(d) shall be remitted by the Administrative Agent to the relevant Issuing Bank.

(b) Presumption by the Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed time of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable

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Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the interest rate applicable to ABR Loans. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing and the Administrative Agent shall promptly return to the Borrower any amount (including interest) so paid by the Borrower to the Administrative Agent pursuant to the immediately preceding sentence, together with any interest on the amount so paid by such Lender for any day not covered by the Borrower's payment.

SECTION 2.05. Interest Elections

(a) Elections by the Borrower. The Loans constituting each Revolving Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurodollar Revolving Borrowing, shall have the Interest Period specified in such Borrowing Request. Thereafter, the Borrower may elect to convert such Borrowing to a Borrowing of a different Type or to continue such Borrowing as a Borrowing of the same Type and, in the case of Eurodollar Revolving Borrowing, may elect the Interest Period therefor, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans constituting such Borrowing, and the Loans constituting each such portion shall be considered a separate Borrowing. This Section shall not apply to Swingline Borrowings, which may not be converted or continued.

(b) Notice of Elections. To make an election pursuant to this Section, the Borrower shall notify the Administrative Agent of such election by telephone by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Revolving Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery or fax to the Administrative Agent of a written Interest Election Request in a form approved by the Administrative Agent and signed by the Borrower.

(c) Content of Interest Election Requests. Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) of this paragraph shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is a Eurodollar Borrowing, the Interest Period therefor after giving effect to such election.

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(d) Notice by the Administrative Agent to the Lenders. Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) Failure to Elect; Events of Default. If the Borrower fails to deliver a timely and complete Interest Election Request with respect to a Eurodollar Revolving Borrowing prior to the end of the Interest Period therefor, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to an ABR Revolving Borrowing. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Borrower, then, so long as such Event of Default is continuing (A) no outstanding Revolving Borrowing may be converted to or continued as a Eurodollar Borrowing and (B) unless repaid, each Eurodollar Borrowing shall be converted to an ABR Borrowing at the end of the Interest Period therefor.

SECTION 2.06. Termination, Reduction and Increase of the Commitments

(a) Scheduled Termination. Unless previously terminated, the Commitments shall terminate on the Commitment Termination Date.

(b) Voluntary Termination or Reduction. The Borrower may at any time terminate, or from time to time reduce, the Commitments; provided that (i) each reduction of the Commitments shall be in an amount that is \$2,000,000 or a multiple of \$1,000,000 in excess thereof and (ii) the Borrower shall not terminate or reduce the Commitments if, after giving effect to any concurrent prepayment of the Revolving Loans in accordance with Section 2.08, the total Revolving Credit Exposure would exceed the total Commitments. The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitments under this paragraph at least one Business Day prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this paragraph shall be irrevocable; provided that a notice of termination of the Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments shall be permanent; provided that the reduction of the Commitments shall not preclude a subsequent increase thereof in accordance with Section 2.06(c). Each reduction of the applicable Commitments shall be made ratably among the Lenders in accordance with their respective Commitments.

(c) Increase. The Borrower may, at any time after the Effective Date by notice to the Administrative Agent, propose an increase in the total Commitments hereunder (each such proposed increase being a "Commitment Increase") either by having a Lender increase its Commitment then in effect (each an "Increasing Lender") or by adding as a Lender with a new Commitment hereunder a Person which is not then a Lender (each, an "Assuming Lender"), in each case, with the consent of the Administrative Agent, each Issuing Bank and the Swingline Lender to the extent consent would be required under the terms of Section 9.04(b) in connection with an assignment to such Lender or Person (such consent, in each case, not to be unreasonably withheld), which notice shall specify the name of each Increasing Lender and/or Assuming Lender, as applicable, the amount of such Commitment Increase, the portion thereof being assumed by each such Increasing Lender or Assuming Lender, and the date on which such Commitment Increase is to be effective (the "Commitment Increase Date") (which shall be a

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Business Day at least three Business Days after delivery of such notice and 30 days prior to the Commitment Termination Date); provided that:

(i) the minimum amount of the increase of the Commitment of any Increasing Lender, and the minimum amount of the Commitment of any Assuming Lender, as part of any Commitment Increase shall be \$10,000,000 or a larger multiple of \$1,000,000;

(ii) immediately after giving effect to any Commitment Increase, the total Commitments hereunder shall not exceed \$850,000,000;

(iii) no Default shall have occurred and be continuing on the relevant Commitment Increase Date or shall result from any Commitment Increase; and

(iv) the representations and warranties of the Borrower set forth in this Agreement shall be true and correct in all material respects (or, in the case of any such representations and warranties qualified as to materiality, in all respects) on and as of the relevant Commitment Increase Date as if made on and as of such date (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date).

Each Commitment Increase (and the increase of the Commitment of each Increasing Lender and/or the new Commitment of each Assuming Lender, as applicable, resulting therefrom) shall become effective as of the relevant Commitment Increase Date upon receipt by the Administrative Agent, on or prior to 11:00 a.m., New York City time, on such Commitment Increase Date, of (A) a certificate of a duly authorized officer of the Borrower stating that the conditions with respect to such Commitment Increase under this paragraph (c) have been satisfied and (B) an agreement, in form and substance reasonably satisfactory to the Borrower and the Administrative Agent, pursuant to which, effective as of such Commitment Increase Date, the Commitment of each such Increasing Lender shall be increased and/or each such Assuming Lender shall undertake a Commitment, duly executed by such Increasing Lender or Assuming Lender, as the case may be, and the Borrower and acknowledged by the Administrative Agent. Upon the Administrative Agent's receipt of a fully executed agreement from each Increasing Lender and/or Assuming Lender referred to in clause (B) above, together with the certificate referred to in clause (A) above, the Administrative Agent shall record the information contained in each such agreement in the Register and give prompt notice of the relevant Commitment Increase to the Borrower and the Lenders (including, if applicable, each Assuming Lender). On each Commitment Increase Date, in the event Revolving Loans are then outstanding, (i) each relevant Increasing Lender and Assuming Lender shall make available to the Administrative Agent such amounts determined by the Administrative Agent in immediately available funds, for the benefit of the other Lenders, as being required in order to cause, after giving effect to such increase and the application of such amounts to make payments to such other Lenders, the Revolving Loans to be held ratably by all the Lenders in accordance with their respective Commitments, (ii) the Borrower shall be deemed to have prepaid and reborrowed all outstanding Revolving Loans as of such Commitment Increase Date (with such borrowing to consist of the Type of Loans, with related Interest Periods if applicable, specified in a notice delivered by the Borrower in accordance with the requirements of Section 2.03) and (iii) the Borrower shall pay to the Lenders the amounts, if any, payable under Section 2.13 as a result of such prepayment.

Notwithstanding anything herein to the contrary, no Lender shall have any obligation to agree to increase its Commitment hereunder and any election to do so shall be in the sole discretion of each Lender.

(d) Extensions. Notwithstanding anything to the contrary in this Agreement, pursuant to one or more offers (each, an "Extension Offer") made from time to time by the Borrower to all Lenders

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having at such time Commitments with the same Commitment Termination Date on a pro rata basis (based on the aggregate amount of such Commitments) and on the same terms to each such Lender, the Borrower shall be permitted to consummate from time to time transactions with individual Lenders that accept the terms contained in such Extension Offer to extend the Commitment Termination Date of each such Lender's Commitments and (subject to the terms of this Section 2.06(d)) otherwise modify the terms of such Commitments pursuant to the terms of such Extension Offer (each, an "Extension", and each group of Commitments as so extended and the original Commitments not so extended, being a "tranche"), so long as, in each case, the following terms are satisfied:

(i) no Default have occurred and be continuing at the time the offering document in respect of an Extension Offer is delivered to the Lenders and on the applicable effective date of such Extension;

(ii) the representations and warranties of the Borrower set forth in this Agreement shall be true and correct in all material respects (or, in the case of any such representations and warranties qualified as to materiality, in all respects) on and as of the relevant Commitment Increase Date as if made on and as of such date (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date);

(iii) except as to the Applicable Rate with respect to Revolving Loans and facility fees, Letter of Credit fees and the Commitment Termination Date with respect thereto (which shall be determined by the Borrower (and as agreed to by the relevant extending Lenders) and set forth in the relevant Extension Offer), the Commitment of any Lender extended pursuant to an Extension (an "Extended Commitment"; and the Loans thereunder, "Extended Revolving Loans"), and the related outstandings, shall be a Commitment (or related outstandings, as the case may be) having the same terms (including collateral, if any) as the original Commitments (and related outstandings); provided that (A) the Commitment Termination Date for any Extended Commitments shall in no event be earlier than the Commitment Termination Date of the Commitments established on the Effective Date and (B) there shall not be more than four tranches of Commitments (including Extended Commitments and any original Commitments) that have a different Commitment Termination Date in effect at any time; provided, further, that, subject to the provisions of Section 2.17(c)(v) and Section 2.18(d)(vii), to the extent dealing with Swingline Loans and Letters of Credit which mature or expire after a Commitment Termination Date when there exist Extended Commitments with a later Commitment Termination Date, all Swingline Loans and Letters of Credit shall be participated in on a pro rata basis by all Lenders in accordance with their Applicable Percentages (and, except as provided in Section 2.17(c)(v) and Section 2.18(d)(vii)), without giving effect to changes thereto on an earlier Commitment Termination Date with respect to Swingline Loans and Letters of Credit theretofore incurred or issued) and all borrowings under Commitments and repayments thereunder shall be made on a pro rata basis (except for (x) payments of interest and fees at different rates on Extended Commitments (and related outstandings) and (y) repayments required upon the applicable Commitment Termination Date of the non-extending Commitments);

(iv) if the aggregate amount of Commitments in respect of which Lenders shall have accepted the relevant Extension Offer shall exceed the maximum aggregate amount of Commitments offered to be extended by the Borrower pursuant to such Extension Offer, then the Commitments (and Revolving Loans thereunder) of such Lenders shall be extended ratably up to such maximum amount based on the respective amounts of Commitments (but not to exceed actual holdings of record) with respect to which such Lenders have accepted such Extension Offer;

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(v) on or prior to the effective date of each Extension Offer with respect to any Extended Commitments, each Lender which has accepted such Extension Offer shall have confirmed in writing satisfactory to the Borrower and the Administrative Agent the amount of its Commitment being so extended; and

(vi) all documentation in respect of such Extension shall be consistent with the terms of this Section 2.06(d).

In connection with any Extension, the Borrower shall provide the Administrative Agent at least ten Business Days' (or such shorter period as may be agreed by the Administrative Agent) prior written notice thereof, and shall agree to such procedures (including regarding timing, rounding and other adjustments and to ensure reasonable administrative management of the credit facilities hereunder after such Extension), if any, as may be established by, or acceptable to, the Administrative Agent, in each case acting reasonably to accomplish the purposes of this Section 2.06(d). No Extension Offer is required to be in any minimum amount or any minimum increment; provided that the Borrower may at its election specify as a condition to consummating any such Extension that a minimum amount (to be determined and specified in the relevant Extension Offer in the Borrower's sole discretion and which may be waived by the Borrower) of Commitments of any or all applicable tranches be tendered for extension in connection with such Extension Offer.

No consent of any parties to this Agreement shall be required to effectuate any Extension, other than (A) the consent of each Lender agreeing to such Extension with respect to its Commitments (or a portion thereof) as contemplated above and (B) the consent of the Administrative Agent, each Issuing Bank and the Swingline Lender (which consent, in each case, shall not be unreasonably withheld). The Lenders hereby consent to the transactions contemplated by this Section 2.06(d) (including, for the avoidance of doubt, payment of any interest or fees in respect of any Extended Commitments on such terms as may be set forth in the relevant Extension Offer) and hereby waive the requirements of any provision of this Agreement (including Sections 2.07, 2.08, 2.09, 2.10 and 2.15) or any other Loan Document that may otherwise prohibit any such Extension or any other transaction contemplated by this Section 2.06(d). The Lenders hereby irrevocably authorize the Administrative Agent to enter into amendments to this Agreement with the Borrower as may be necessary in order to establish new tranches or sub-tranches in respect of any Extended Commitments and such technical amendments as may be necessary or appropriate in the reasonable opinion of the Administrative Agent and the Borrower in connection with such new tranches or sub-tranches, in each case on terms consistent with this Section 2.06(d) and the relevant Extension Offer.

Notwithstanding anything herein to the contrary, no Lender shall have any obligation to participate in or agree to any Extension and any election to do so shall be in the sole discretion of each Lender.

SECTION 2.07. Repayment of Loans: Evidence of Debt

(a) Repayment. The Borrower hereby unconditionally agrees to pay:

(i) to the Administrative Agent for account of the Lenders the outstanding principal amount of the Revolving Loans on the Commitment Termination Date, and

(ii) to the Swingline Lender the then unpaid principal amount of each Swingline Loan on the earlier of the Commitment Termination Date and the first date after such Swingline Loan is

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made that is the 15th or last day of a calendar month and is at least two Business Days after such Swingline Loan is made; provided that on each date that a Revolving Borrowing is made, the Borrower shall repay all Swingline Loans then outstanding.

(b) Manner of Payment. Prior to any repayment or prepayment of any Borrowings hereunder, the Borrower shall select the Borrowing or Borrowings to be paid and shall notify the Administrative Agent by telephone (confirmed by fax) of such selection not later than 11:00 a.m., New York City time, three Business Days before the scheduled date of such repayment; provided that each repayment of Borrowings shall be applied to repay any outstanding ABR Borrowings before any other Borrowings. If the Borrower fails to make a timely selection of the Borrowing or Borrowings to be repaid or prepaid, such payment shall be applied, first, to pay any outstanding ABR Borrowings, and second, to other Revolving Borrowings in the order of the remaining duration of their respective Interest Periods (the Borrowing with the shortest remaining Interest Period to be repaid first). Each payment of a Revolving Borrowing shall be applied ratably to the Loans included in such Borrowing.

(c) Maintenance of Records by Lenders. Each Lender shall maintain in accordance with its usual practice records evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(d) Maintenance of Records by the Administrative Agent. The Administrative Agent shall maintain records in which it shall record (i) the amount of each Loan made hereunder, the Class and Type thereof and (if applicable) each Interest Period therefor, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for account of the Lenders and each Lender's share thereof.

(e) Effect of Entries. The entries made in the records maintained pursuant to paragraph (c) or (d) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such records or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(f) Promissory Notes. Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent and the Borrower. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

SECTION 2.08. Prepayment of Loans

(a) Optional Prepayments. The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part in a minimum aggregate principal amount of \$2,000,000, subject to the requirements of paragraph (b) of this Section and Section 2.13.

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(b) Notices, Etc. The Borrower shall notify the Administrative Agent (and, in the case of prepayment of a Swingline Loan, the Swingline Lender) by telephone (confirmed by fax) of any prepayment hereunder:

(i) in the case of prepayment of a Eurodollar Borrowing, not later than 11:30 a.m., New York City time, three Business Days before the date of prepayment;

(ii) in the case of prepayment of an ABR Revolving Borrowing, not later than 12:00 noon, New York City time, on the date of prepayment; or

(iv) in the case of prepayment of a Swingline Loan, not later than 12:00 noon, New York City time, on the date of prepayment.

Each such notice shall be irrevocable and shall specify the prepayment date, the principal amount of each Borrowing or portion thereof to be prepaid; provided that, if a notice of prepayment under paragraph (a) of this Section is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.06, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.06. Promptly following receipt of any such notice relating to a Revolving Borrowing, the Administrative Agent shall advise the applicable Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of a Borrowing of the same Type as provided in Section 2.02. Each prepayment of a Revolving Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments under this Section shall be accompanied by accrued interest to the extent required by Section 2.10 and shall be subject to the payment of amounts, if any, payable under Section 2.13 in connection with such prepayment.

SECTION 2.09. Fees

(a) Facility Fee. The Borrower agrees to pay to the Administrative Agent for account of each Lender a facility fee, which shall accrue at the Applicable Rate (i) prior to the termination of such Lender's Commitment, on the daily amount of such Commitment (whether used or unused) during the period from and including the Effective Date to but excluding the date on which such Commitment terminates and (ii) if such Lender continues to have any Revolving Credit Exposure after its Commitment terminates, on the daily amount of such Lender's Revolving Credit Exposure from and including the date on which its Commitment terminates to but excluding the date on which such Lender ceases to have any Revolving Credit Exposure. Accrued facility fees shall be payable on the last day of March, June, September and December of each year and on the date on which the Commitments terminate, commencing on the first such date to occur after the date hereof; provided that any facility fees accruing after the termination of the Commitments shall be payable on demand. All facility fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) Letter of Credit Fees. The Borrower agrees to pay (i) to the Administrative Agent for the account of each Lender a participation fee with respect to its participations in Letters of Credit, which shall accrue at the same Applicable Rate used to determine the interest rate applicable to Eurodollar Revolving Loans on the average daily amount of such Lender's L/C Exposure during the period from and including the Effective Date to but excluding the later of the date on which such Lender's Commitment terminates and the date on which such Lender ceases to have any L/C Exposure, and (ii) to each Issuing Bank a fronting fee, which shall accrue at the rate of 0.125% per annum on the average daily amount of

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the L/C Exposure during the period from and including the Effective Date to but excluding the later of the date of termination of the Commitments and the date on which there ceases to be any L/C Exposure. In addition, the Borrower agrees to pay the relevant Issuing Bank its standard administrative, processing or similar fees with respect to the issuance, amendment or extension of any Letter of Credit or processing of drawings thereunder. Participation fees and fronting fees accrued through and including the last day of March, June, September and December of each year shall be payable on the third Business Day following such last day, commencing on the first such date to occur after the Effective Date; provided that all such fees shall be payable on the date on which the Commitments terminate and any such fees accruing after the date on which the Commitments terminate shall be payable on demand. Any other fees payable to any Issuing Bank pursuant to this paragraph shall be payable within ten days after demand. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(c) Administrative Agent Fees. The Borrower agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent.

(d) Payment of Fees. All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent (or to the relevant Issuing Bank, in the case of fees payable to it) for distribution, in the case of facility fees and participation fees, to the Lenders entitled thereto. Fees paid shall not be refundable under any circumstances.

SECTION 2.10. Interest

(a) ABR Loans. The Loans constituting each ABR Borrowing (including each Swingline Loan) shall bear interest at a rate per annum equal to the Alternate Base Rate plus the Applicable Rate.

(b) Eurodollar Loans. The Loans constituting each Eurodollar Borrowing shall bear interest at a rate per annum equal to the LIBO Rate for the Interest Period for such Borrowing plus the Applicable Rate.

(c) Default Interest. Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at the applicable Default Rate.

(d) Payment of Interest. Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and, in the case of Revolving Loans, upon the date the Commitments terminate; provided that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Loan prior to the Commitment Termination Date), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurodollar Revolving Borrowing prior to the end of the Interest Period therefor, accrued interest on such Borrowing shall be payable on the effective date of such conversion.

(e) Computation. All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or

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366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate or LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.11. Alternate Rate of Interest

If prior to the commencement of the Interest Period for any Eurodollar Borrowing:

(a) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the LIBO Rate for such Interest Period; or

(b) the Administrative Agent is advised by the Required Lenders that the LIBO Rate for such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their respective Loans (or its Loan) included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone or fax as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Revolving Borrowing to, or the continuation of any Revolving Borrowing as, a Eurodollar Borrowing shall be ineffective and such Borrowing (unless prepaid) shall be continued as, or converted to, an ABR Revolving Borrowing and (ii) if any Borrowing Request requests a Eurodollar Revolving Borrowing, such Borrowing shall be made as an ABR Borrowing.

SECTION 2.12. Increased Costs

(a) Statutory Reserves. If any Government Authority shall have in effect at any time during the term of this Agreement any reserve, liquid asset or similar requirement with respect to any category of deposits or liabilities customarily used to fund Eurodollar Loans (or ABR Loans when the interest rate with respect thereto is governed by clause (c) of the definition of "Alternate Base Rate"), or by reference to which interest rates applicable to Eurodollar Loans are determined, and the result of such requirement shall be to increase the cost to any Lender of making or maintaining any Eurodollar Loans and such Lender shall have requested, by notice to the Borrower and the Administrative Agent (which notice shall specify the Statutory Reserve Rate applicable to such Lender), compensation under this Section 2.12(a), then the Borrower will pay to such Lender on the last Business Day of March, June, September and December in each year (commencing with the first such day after the date hereof) following delivery of such notice (until the earlier of the date such Lender shall advise the Borrower that such requirement is no longer in effect or the date such Lender shall withdraw such request) additional interest on each Eurodollar Loan of such Lender outstanding during the fiscal quarter ending on such Business Day at a rate per annum equal to (i) the rate otherwise applicable to such Eurodollar Loan (the "Applicable Interest Rate") multiplied by the Statutory Reserve Rate (expressed as a fraction equal to 1 divided by 1 minus the Statutory Reserve Rate) minus (ii) the Applicable Interest Rate.

(b) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any

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Lender or any Issuing Bank (except any reserve requirement covered by paragraph (a) of this Section);

(ii) subject any Lender or any Issuing Bank to any tax of any kind whatsoever with respect to this Agreement, any Letter of Credit, any participation in a Letter of Credit or any Eurodollar Loan made by it, or change the basis of taxation of payments to such Lender or Issuing Bank in respect thereof (except for (A) Indemnified Taxes or Other Taxes covered by Section 2.14(a) and (B) the imposition of, or any change in the rate of, any Excluded Tax payable by such Lender or Issuing Bank); or

(iii) impose on any Lender or any Issuing Bank or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Eurodollar Loans made by such Lender or any Letter of Credit or participation therein (except any reserve requirement covered by paragraph (a) of this Section);

and the result of any of the foregoing shall be to increase the cost to such Lender or Issuing Bank of making, converting to, continuing or maintaining any Eurodollar Loan or of maintaining its obligation to make any such Loan, or to increase the cost to such Lender or Issuing Bank of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit) other than any cost related to Taxes or to reduce the amount of any sum received or receivable by such Lender or Issuing Bank hereunder (whether of principal, interest or otherwise) by an amount deemed by such Lender or Issuing Bank to be material, then the Borrower will pay to such Lender or Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or Issuing Bank for such additional costs incurred or reduction suffered. Notwithstanding anything herein to the contrary, no Lender shall be entitled to request compensation under this Section for any such costs relating to DFA or Basel III unless, at the time of such request, such Lender is assessing similarly situated borrowers for such costs under similar credit facilities (with equivalent terms) entered into on or prior to the date of the relevant Change in Law (provided that such Lender shall be permitted to assess such costs under such credit facilities).

(c) Capital Requirements. If any Lender or Issuing Bank determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's or Issuing Bank's capital or on the capital of such Lender's or Issuing Bank's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit or Swingline Loans held by, such Lender, or the Letters of Credit issued by any Issuing Bank, to a level below that which such Lender or Issuing Bank or such Lender's or Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or Issuing Bank's policies and the policies of such Lender's or Issuing Bank's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender or Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or Issuing Bank or such Lender's or Issuing Bank's holding company for any such reduction suffered.

(d) Certificates from Lenders. A certificate of a Lender or Issuing Bank setting forth in reasonable detail the amount or amounts (and the basis therefor) necessary to compensate such Lender or Issuing Bank or its holding company, as the case may be, as specified in paragraph (b) or (c) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender or Issuing Bank, as the case may be, the amount shown as due on any such certificate within 30 days after receipt thereof.

(e) Delay in Requests. Failure or delay on the part of any Lender or Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or Issuing

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Bank's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender or Issuing Bank pursuant to this Section for any costs or reductions incurred more than three months prior to the date that such Lender or Issuing Bank notifies the Borrower of the event giving rise to such costs or reductions and of such Lender's or Issuing Bank's intention to claim compensation therefor; provided further that, if the event giving rise to such costs or reductions is retroactive, then the three month period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.13. Break Funding Payments

In the event of (a) the payment of any principal of any Eurodollar Loan other than on the last day of an Interest Period therefor (including as a result of an Event of Default), (b) the conversion of any Eurodollar Loan other than on the last day of an Interest Period therefor, (c) the failure to borrow, convert, continue or prepay any Eurodollar Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice is permitted to be revocable under Section 2.08(b) and is revoked in accordance herewith) or (d) the assignment as a result of a request by the Borrower pursuant to Section 2.16(b) of any Eurodollar Loan other than on the last day of an Interest Period therefor, then, in any such event, the Borrower shall compensate each Lender for the loss (other than anticipated profits) attributable to such event. In the case of a Eurodollar Loan, the loss to any Lender attributable to any such event shall be deemed to include an amount determined by such Lender to be equal to the excess, if any, of (i) the amount of interest that such Lender would pay for a deposit equal to the principal amount of such Loan for the period from the date of such payment, conversion, failure or assignment to the last day of the then current Interest Period for such Loan (or, in the case of a failure to borrow, convert or continue, the duration of the Interest Period that would have resulted from such borrowing, conversion or continuation) if the interest rate payable on such deposit were equal to the LIBO Rate for such Interest Period, over (ii) the amount of interest that such Lender would earn on such principal amount for such period if such Lender were to invest such principal amount for such period at the interest rate that would be bid by such Lender (or an affiliate of such Lender) for Dollar deposits from other banks in the eurodollar market at the commencement of such period. A certificate of any Lender setting forth in reasonable detail any amount or amounts (and the basis therefor) that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 30 days after receipt thereof.

SECTION 2.14. Taxes

(a) Payments Free of Taxes. Any and all payments by or on account of any obligation of the Borrower under this Agreement or the Loan Documents shall be made free and clear of and without deduction or withholding for any Indemnified Taxes or Other Taxes, except as required by applicable law, rule or regulation; provided that if the Borrower or the Administrative Agent shall be required to deduct or withhold any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Administrative Agent or the relevant Lender or Issuing Bank (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law, rule or regulation.

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(b) Payment of Other Taxes by the Borrower. In addition, the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law, rule or regulation.

(c) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent, each Lender and each Issuing Bank, within 30 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Administrative Agent, such Lender or Issuing Bank, as the case may be, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender or an Issuing Bank, or by the Administrative Agent on its own behalf or on behalf of a Lender or an Issuing Bank, shall be conclusive absent manifest error.

(d) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within ten days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 9.04(c) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (d).

(e) Evidence of Payments. As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(f) U.S. Withholding Taxes. (i) Any Non-U.S. Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement or the other Loan Documents shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law, rule or regulation or reasonably requested by the Borrower, such properly completed and executed documentation prescribed by applicable law, rule or regulation as will permit such payments to be made without withholding or at a reduced rate. Each such Non-U.S. Lender shall also deliver to the Borrower (with a copy to the Administrative Agent) such further documentation on or before the date that any documentation previously delivered to the Borrower hereunder shall expire or become obsolete and after the occurrence of any event requiring a change in such previously delivered documentation. Each such Non-U.S. Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of such Lender's legal inability to do so.

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(ii) If a payment made to a Lender hereunder would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law, rule or regulation and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law, rule or regulation (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (ii), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(g) Refunds. If the Administrative Agent, a Lender or an Issuing Bank determines, in its reasonable discretion, that it has received a refund of any Indemnified Taxes or Other Taxes from the Governmental Authority to which such Taxes were paid and as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section, it shall pay over such refund to the Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section with respect to the Indemnified Taxes or Other Taxes giving rise to such refund), net of all reasonable out-of-pocket expenses of the Administrative Agent, such Lender or Issuing Bank, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided that the Borrower, upon the request of the Administrative Agent, such Lender or Issuing Bank, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent, such Lender or Issuing Bank in the event the Administrative Agent, such Lender or Issuing Bank is required to repay such refund to such Governmental Authority. This paragraph (g) shall not be construed to require the Administrative Agent, any Lender or any Issuing Bank to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the Borrower or any other Person or to repay to the Borrower amounts in respect of any indirect tax benefit received by the Administrative Agent, such Lender or Issuing Bank arising out of Indemnified Taxes or Other Taxes as to which it has been indemnified by the Borrower.

SECTION 2.15. Payments Generally; Pro Rata Treatment; Sharing of Set offs

(a) Payments by Borrower. The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest, fees or reimbursement of L/C Borrowings, or of other amounts payable under Section 2.12, 2.13, 2.14, 2.17, 2.18 or otherwise) or under any other Loan Document (except to the extent otherwise provided therein) prior to 2:00 p.m., New York City time, on the date when due, in immediately available funds, without set off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent's Office, except payments to be made directly to the Swingline Lender or the relevant Issuing Bank as expressly provided under Section 2.17 and 2.18 and payments pursuant to Sections 2.12, 2.13, 2.14 and 9.03, which shall be made directly to other Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for account of any other Person to the appropriate recipient promptly (but in no event later than the next succeeding Business Day) after receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day and, in the

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case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in Dollars.

(b) Application of Insufficient Payments. If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, unreimbursed L/C Borrowings, interest and fees then due hereunder, such funds shall be applied (i) first, to pay interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, to pay principal and unreimbursed L/C Borrowings then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed L/C Borrowings then due to such parties.

(c) Pro Rata Treatment. Except to the extent otherwise provided herein: (i) each Revolving Borrowing shall be made from the Lenders and shall be allocated pro rata among such Lenders according to the amounts of their respective Commitments (in the case of the making of Revolving Loans) or their respective Revolving Loans that are to be included in such Borrowing (in the case of conversions and continuations of Revolving Loans); (ii) each payment or prepayment of principal of Revolving Loans by the Borrower shall be made for account of the Lenders pro rata in accordance with the respective unpaid principal amounts of the Revolving Loans held by them thereunder; and (iii) each payment of interest on Revolving Loans by the Borrower, and each payment of facility fees and Letter of Credit fees, shall be made for account of the Lenders pro rata in accordance with the amounts of interest on such Loans or such fees, as the case may be, then due and payable to them.

(d) Sharing of Payments by Lenders. If any Lender shall, by exercising any right of set off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Revolving Loans or participations in Letters of Credit or Swingline Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Revolving Loans and participations in Letters of Credit and Swingline Loans and accrued interest thereon then due thereunder than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Revolving Loans and participations in Letters of Credit and Swingline Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Revolving Loans and participations in Letters of Credit and Swingline Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in Letters of Credit to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, rule or regulation that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(e) Presumptions of Payment. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for account of the Lenders or the Issuing Banks hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the Issuing Banks, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then

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each Lender or the relevant Issuing Bank, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or such Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(f) Certain Deductions by the Administrative Agent. If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.15(e), Section 2.17(c), Section 2.18(d) or Section 9.03(c), then the Administrative Agent may, in its discretion and notwithstanding any contrary provision hereof, (i) apply any amounts thereafter received by the Administrative Agent for the account of such Lender for the benefit of the Administrative Agent, the Swingline Lender or the Issuing Banks to satisfy such Lender's obligations to it under such Section until all such unsatisfied obligations are fully paid, and/or (ii) hold any such amounts in a segregated account as cash collateral for, and application to, any future funding obligations of such Lender under any such Section, in the case of each of clauses (i) and (ii) above, in any order as determined by the Administrative Agent in its discretion.

SECTION 2.16. Mitigation Obligations; Replacement of Lenders

(a) Designation of a Different Lending Office. If (i) any Lender requests compensation under Section 2.12 or (ii) the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.14, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.12 or 2.14, as the case may be, in the future and (ii) in each case, would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) Replacement of Lenders. If (i) any Lender requests compensation under Section 2.12, (ii) the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.14 (and, in the case of clauses (i) and (ii), such Lender has declined or is unable to designate a different lending office in accordance with Section 2.16(a)), (iii) any Lender becomes a Defaulting Lender or (iv) any Lender has failed to consent to any proposed amendment or waiver with respect to this Agreement that requires the consent of all the Lenders or all the Lenders affected thereby and with respect to which the Required Lenders shall have granted their consent, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights and obligations under this Agreement to an eligible assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent and, if a Commitment is being assigned, the Swingline Lender and each Issuing Bank (which consent, in each case, shall not unreasonably be withheld), (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and funded participations in Letters of Credit and Swingline Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts), (iii) in the case of any such assignment resulting from a claim for compensation under

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Section 2.12 or payments required to be made pursuant to Section 2.14, such assignment will result in a reduction in such compensation or payments thereafter, (iv) such assignment does not conflict with any applicable law, rule or regulation and (v) in the case of any such assignment resulting from the failure of any Lender to consent to a waiver or amendment as provided above, the assignee shall have agreed to consent to such waiver or amendment. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

SECTION 2.17. Swingline Loans

(a) Agreement to Make Swingline Loans. Subject to the terms and conditions set forth herein, the Swingline Lender agrees to make Swingline Loans in Dollars to the Borrower from time to time during the Availability Period in an aggregate principal amount at any time outstanding that will not result in (i) the aggregate principal amount of outstanding Swingline Loans exceeding the Swingline Sublimit or (ii) the total Revolving Credit Exposures exceeding the total Commitments; provided that the Swingline Lender shall not be required to make a Swingline Loan to refinance an outstanding Swingline Loan. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Swingline Loans. Immediately upon the making of a Swingline Loan by the Swingline Lender, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Swingline Lender a participation in such Swingline Loan in an amount equal to such Lender's Applicable Percentage of the amount of such Swingline Loan.

(b) Notice of Swingline Loans by the Borrower. To request a Swingline Loan, the Borrower shall notify the Administrative Agent of such request by telephone (confirmed by fax), not later than 3:00 p.m., New York City time, on the day of a proposed Swingline Loan. Each such notice shall be irrevocable and shall specify the requested date (which shall be a Business Day) and amount of the requested Swingline Loan. The Administrative Agent will promptly advise the Swingline Lender of any such notice received from the Borrower. Subject to the terms and conditions set forth herein, the Swingline Lender shall make each Swingline Loan available to the Borrower (or, in the case of a Swingline Loan made to finance the reimbursement of an L/C Borrowing as provided in Section 2.18(e), by remittance to the relevant Issuing Bank), in immediately available funds by wire transfer thereof in accordance with instructions provided to (and reasonably acceptable to) the Swingline Lender, not later than 4:00 p.m., New York City time, on the requested date of such Swingline Loan.

(c) Refinancing of Swingline Loans.

(i) The Swingline Lender at any time in its sole and absolute discretion may request, on behalf of the Borrower (which hereby irrevocably authorizes the Swingline Lender to so request on its behalf), that, subject to the terms and conditions set forth herein (including the conditions set forth in Section 4.02), each Lender make an ABR Revolving Loan in an amount equal to such Lender's Applicable Percentage of the amount of Swingline Loans made by the Swingline Lender then outstanding. Such request shall be made in writing (which written request shall be deemed to be a Borrowing Request for purposes hereof) and in accordance with the requirements of paragraph (b) of this Section. The Swingline Lender shall furnish the Borrower with a copy of such Borrowing Request promptly after delivering such notice to the Administrative Agent. Each Lender shall make an amount equal to its Applicable Percentage of the amount specified in such Borrowing Request available to the Administrative Agent in immediately available funds (and the Administrative Agent may apply Cash Collateral available with respect to the applicable Swingline Loan) for the account of the Swingline Lender at the Administrative Agent's Office

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not later than 1:00 p.m., New York City time, on the day specified in such Borrowing Request, whereupon, subject to paragraph (c)(ii) of this Section, each Lender that so makes funds available shall be deemed to have made an ABR Loan to the Borrower in such amount.

(ii) If for any reason any Swingline Loan cannot be refinanced by such a Revolving Borrowing in accordance with paragraph (c)(i) of this Section, the request for ABR Loans submitted by the Swingline Lender as set forth herein shall be deemed to be a request by the Swingline Lender that each of the Lenders fund its participation in the relevant Swingline Loan and each Lender's payment to the Administrative Agent for the account of the Swingline Lender pursuant to such paragraph (c)(i) shall be deemed payment in respect of such participation. The Administrative Agent shall notify the Borrower of any participations in any Swingline Loan funded pursuant to this clause (ii), and thereafter payments in respect of such Swingline Loan (to the extent of such funded participations) shall be made to the Administrative Agent and not to the Swingline Lender.

(iii) If any Lender fails to make available to the Administrative Agent for the account of the Swingline Lender any amount required to be paid by such Lender pursuant to the foregoing provisions of this paragraph (c) by the time specified in paragraph (c)(i), the Swingline Lender shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Swingline Lender at a rate per annum equal to the greater of the Federal Funds Effective Rate from time to time in effect and a rate determined by the Swingline Lender in accordance with banking industry rules on interbank compensation, plus any reasonable administrative, processing or similar fees customarily charged by the Swingline Lender in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Revolving Loan included in the relevant Revolving Borrowing or funded participation in the relevant Swingline Loan, as the case may be. A certificate of the Swingline Lender submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (iii) shall be conclusive absent manifest error.

(iv) Each Lender's obligation to purchase and fund participations in Swingline Loans pursuant to this paragraph (c) shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the Swingline Lender, the Borrower or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default, (C) any adverse change in the condition (financial or otherwise) of the Borrower, (D) any breach of this Agreement or any other Loan Document by the Borrower or any other Lender or (E) any other occurrence, event or condition, whether or not similar to any of the foregoing, and the payment of each such obligation shall be made without any offset, abatement, withholding or reduction whatsoever. No such funding of participations shall relieve or otherwise impair the obligation of the Borrower to repay Swingline Loans, together with interest as provided herein.

(v) If the Commitment Termination Date shall have occurred in respect of any tranche of Commitments at a time when another tranche or tranches of Commitments is or are in effect with a later Commitment Termination, then on the earliest occurring Commitment Termination Date all then outstanding Swingline Loans shall be repaid in full on such date (and there shall be no adjustment to the participations of the Lenders in such Swingline Loans as a result of the occurrence of such Commitment Termination Date); provided that if on the occurrence of such earliest Commitment Termination Date (after giving effect to any repayments of Revolving Loans and any reallocation of Letter of Credit participations as contemplated in Section 2.18(d)(vii)),

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there shall exist sufficient unutilized Extended Commitments so that the respective outstanding Swingline Loans could be incurred pursuant to the Extended Commitments that will remain in effect after the occurrence of such Commitment Termination Date, then there shall be an automatic adjustment on such date of the participations in such Swingline Loans among the Lenders with Extended Commitments with Commitment Termination Dates occurring after such date and the same shall be deemed to have been incurred solely pursuant to such Extended Commitments, and such Swingline Loans shall not be so required to be repaid in full on such earliest Commitment Termination Date.

(d) Repayment of Participations.

(i) At any time after any Lender has purchased and funded a participation in a Swingline Loan, if the Swingline Lender receives any payment on account of such Swingline Loan, the Swingline Lender will promptly remit such Lender's Applicable Percentage of such payment to the Administrative Agent (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's participation was funded) in like funds as received by the Swingline Lender, and any such amounts received by the Administrative Agent will be remitted by the Administrative Agent to the Lenders that shall have funded their participations pursuant to paragraph (c)(ii) of this Section to the extent of their interests therein.

(ii) If any payment received by the Swingline Lender in respect of principal or interest on any Swingline Loan is required to be returned by the Swingline Lender under any of the circumstances described in Section 9.15 (including pursuant to any settlement entered into by the Swingline Lender in its discretion), each Lender shall pay to the Swingline Lender its Applicable Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned at a rate per annum equal to the Federal Funds Effective Rate from time to time in effect. The Administrative Agent will make such demand upon the request of the Swingline Lender. The obligations of the Lenders under this clause (ii) shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) Interest for Account of Swingline Lender. Until each Lender funds its ABR Loan or participation pursuant to this Section to refinance such Lender's Applicable Percentage of any Swingline Loan made by the Swingline Lender, interest in respect of such Lender's share thereof shall be solely for the account of the Swingline Lender.

(f) Payments Directly to Swingline Lender. Except as otherwise expressly provided herein, the Borrower shall make all payments of principal and interest in respect of the Swingline Loans directly to the Swingline Lender.

SECTION 2.18. Letters of Credit

(a) General.

(i) Subject to the terms and conditions set forth herein, in addition to the Loans provided for in Section 2.01, at the request of the Borrower, each Issuing Bank agrees to issue Letters of Credit denominated in Dollars for the account of the Borrower in such form as is acceptable to such Issuing Bank in its reasonable determination, at any time prior to the date that is five Business Days prior to the Commitment Termination Date (or, if there is more than one tranche of Commitments in effect at any time, five Business Days prior to the then latest scheduled

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Commitment Termination Date), or to increase, amend or extend any previously issued such Letter of Credit, in an aggregate amount that will not result, after giving effect thereto, in (A) each Lender's Revolving Credit Exposure exceeding such Lender's Commitment, (B) the total Revolving Credit Exposures of all Lenders exceeding the total Commitments, (C) the total L/C Exposure of the Issuing Banks (determined for these purposes without giving effect to the participations therein of the Lenders pursuant to this Section) exceeding the L/C Sublimit and (D) if at such time there are Extended Commitments, the total L/C Exposure of the Issuing Banks (determined for these purposes without giving effect to the participations therein of the Lenders pursuant to this Section) with respect to Letters of Credit that have an expiry date after the earliest Commitment Termination Date exceeding the total Extended Commitments.

Letters of Credit issued hereunder shall constitute utilization of the respective Commitments under which such Letters of Credit are so issued. Immediately upon the issuance of each Letter of Credit by any Issuing Bank, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from such Issuing Bank a participation in such Letter of Credit in an amount equal to such Lender's Applicable Percentage of the amount of such Letter of Credit. If there is more than one tranche of Commitments in effect at any time and, upon the Commitment Termination Date in respect of any such tranche, there are outstanding Letters of Credit, such Letters of Credit shall automatically be deemed to have been issued (including for purposes of the obligations of the Lenders to purchase participations therein and to make payments in respect thereof pursuant to this Section) under (and ratably participated in by Lenders pursuant to) the Commitments in respect of such non-terminating tranches (it being understood that the participations therein of Lenders under the maturing tranche shall be correspondingly released) and, to the extent necessary, the Borrower shall prepay outstanding Swingline Loans and/or Revolving Loans pursuant to Section 2.08 on such Commitment Termination Date in an amount sufficient to permit the reallocation of the L/C Exposure relating to such outstanding Letters of Credit contemplated hereby.

(ii) No Issuing Bank shall be under any obligation to issue any Letter of Credit if: (A) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain such Issuing Bank from issuing such Letter of Credit, or any law, rule or regulation applicable to such Issuing Bank or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over such Issuing Bank shall prohibit, or request that such Issuing Bank refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon such Issuing Bank with respect to such Letter of Credit any restriction, reserve or capital requirement (for which such Issuing Bank is not otherwise compensated hereunder) not in effect on the Effective Date, or shall impose upon such Issuing Bank any unreimbursed loss, cost or expense which was not applicable on the Effective Date and which such Issuing Bank in good faith deems material to it; (B) except as otherwise agreed by the Administrative Agent and such Issuing Bank, such Letter of Credit is in an initial stated amount less than \$50,000; and (C) such Letter of Credit contains any provisions for automatic reinstatement of the stated amount after any drawing thereunder.

(iii) No Issuing Bank shall be under any obligation to make any L/C Credit Extension if (A) such Issuing Bank would have no obligation at such time to issue the Letter of Credit in its amended form under the terms hereof or (B) the beneficiary of such Letter of Credit does not accept the proposed amendment thereto.

(b) Notice of Issuance, Increase, Amendment or Extension. To request the issuance of a Letter of Credit (or the increase, amendment or extension of an outstanding Letter of Credit), the Borrower shall hand deliver or fax (or transmit by electronic communication, if arrangements for doing so

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have been approved by the respective Issuing Bank) to the relevant Issuing Bank and the Administrative Agent (reasonably in advance of the requested date of issuance, increase, amendment or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be increased, amended or extended, and specifying the date of issuance, increase, amendment or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount of such Letter of Credit, the name and address of the beneficiary thereof, and such other information as shall be necessary to prepare, increase, amend or extend such Letter of Credit. If requested by the respective Issuing Bank, the Borrower also shall submit an L/C Application on such Issuing Bank's standard form in connection with any request for a Letter of Credit. Additionally, the Borrower shall furnish to the relevant Issuing Bank and the Administrative Agent such other documents and information pertaining to such requested Letter of Credit issuance, increase, amendment or extension, including any L/C Documents, as such Issuing Bank or the Administrative Agent may reasonably require. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of L/C Application or other agreement submitted by the Borrower to, or entered into by the Borrower with, an Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control (it being understood that this Agreement contains all of the representations and warranties, covenants and Defaults and Events of Default and any other provisions not related to the technical terms of any Letter of Credit which shall be applicable to any Letter of Credit). Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, the relevant Issuing Bank will also deliver to the Borrower and the Administrative Agent a true and complete copy of such Letter of Credit or amendment.

(c) Expiration Date; Auto-Renewal Letters of Credit. Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date twelve months after the date of the issuance of such Letter of Credit (or, in the case of any extension thereof, twelve months after the then-current expiration date of such Letter of Credit) and (ii) (subject to proviso below) the day that is five Business Days prior to the scheduled Commitment Termination Date (or, if there is more than one tranche of Commitments at any time, the earliest scheduled Commitment Termination Date); provided that, if there are Extended Commitments at any time, a Letter of Credit may expire after the date specified in clause (ii) above (but in no event later than five Business Days prior to the latest scheduled Commitment Termination Date), provided that (x) the date of issuance of such Letter of Credit occurs after such earliest Commitment Termination Date or (y) on the date of (and after giving effect to) such issuance, the condition set forth in clause (D) of the first paragraph of Section 2.18(a)(i) shall be satisfied. If the Borrower so requests in any applicable L/C Application, the relevant Issuing Bank agrees to issue a Letter of Credit that has automatic renewal provisions (each, an "Auto-Renewal Letter of Credit"); provided that any such Auto-Renewal Letter of Credit shall permit such Issuing Bank to prevent any such renewal at least once in each twelve-month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the "Nonrenewal Notice Date") in each such twelve-month period to be agreed upon at the time such Letter of Credit is issued. Unless otherwise directed by the relevant Issuing Bank, the Borrower shall not be required to make a specific request to such Issuing Bank for any such renewal. Once an Auto-Renewal Letter of Credit has been issued, the Lenders shall be deemed to have authorized (but may not require) the relevant Issuing Bank to permit the renewal of such Letter of Credit at any time to an expiry date permitted under the first sentence of this paragraph (c).

(d) Drawings and Reimbursement; Funding of Participations.

(i) Upon receipt from the beneficiary of any Letter of Credit of any notice of a drawing under such Letter of Credit, the relevant Issuing Bank shall notify the Borrower and the Administrative Agent thereof, and such Issuing Bank shall, within a reasonable time following its

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receipt thereof, examine all documents purporting to represent a demand for payment under such Letter of Credit. Upon payment by such Issuing Bank of a drawing under a Letter of Credit, the Borrower shall reimburse such Issuing Bank through the Administrative Agent in an amount equal to the amount of such drawing, not later than 2:00 p.m., New York City time, on the Business Day immediately following the date on which such payment is made. If the Borrower fails to so reimburse such Issuing Bank by such time, the Administrative Agent shall promptly notify each Lender thereof, the amount of the unreimbursed drawing (the "Unreimbursed Amount") and the amount of such Lender's Applicable Percentage thereof. In such event, the Borrower shall be deemed to have requested a Revolving Borrowing of ABR Loans to be disbursed on such Business Day in an amount equal to such Unreimbursed Amount, but subject to the terms and conditions set forth herein (including the conditions set forth in Section 4.02, but excluding delivery of a Borrowing Request). Any notice given by an Issuing Bank or the Administrative Agent pursuant to this clause (i) may be given by telephone if immediately confirmed in writing; provided that the lack of such confirmation shall not affect the conclusiveness or binding effect of such notice.

(ii) Each applicable Lender (including each Lender acting as an Issuing Bank) shall upon any notice pursuant to paragraph (d)(i) of this Section make funds available (and the Administrative Agent may apply Cash Collateral provided for this purpose) for the account of the relevant Issuing Bank at the Administrative Agent's Office for payments in an amount equal to its Applicable Percentage of the relevant Unreimbursed Amount not later than 2:00 p.m. (New York City time) on the Business Day specified in such notice by the Administrative Agent, whereupon, subject to the provisions of paragraph (d)(iii) of this Section, each Lender that so makes funds available shall be deemed to have made such ABR Loan to the Borrower in such amount. The Administrative Agent shall remit the funds so received to the relevant Issuing Bank.

(iii) With respect to any Unreimbursed Amount that is not fully refinanced by an ABR Borrowing for any reason, the Borrower shall be deemed to have incurred from the relevant Issuing Bank an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the Default Rate. In such event, each Lender's payment to the Administrative Agent for the account of the relevant Issuing Bank pursuant to paragraph (d)(i) of this Section shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this Section.

(iv) Until each Lender funds its Revolving Loan or L/C Advance to reimburse the relevant Issuing Bank for any amount drawn under any Letter of Credit, interest in respect of such Lender's Applicable Percentage of such amount shall be solely for the account of such Issuing Bank.

(v) Each Lender's obligations to make L/C Advances to reimburse the relevant Issuing Bank for amounts drawn under Letters of Credit, as contemplated by this paragraph (d), shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against such Issuing Bank, the Borrower or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default, (C) any adverse change in the condition (financial or otherwise) of the Borrower, (D) any breach of this Agreement or any other Loan Document by the Borrower or any other Lender or (E) any other occurrence, event or condition, whether or not similar to any of the foregoing, and each such L/C Advance shall be made without any offset, abatement, withholding or reduction whatsoever. No such funding of a participation in any Letter

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of Credit shall relieve or otherwise impair the obligation of the Borrower to reimburse the relevant Issuing Bank for the amount of any payment made by such Issuing Bank under such Letter of Credit, together with interest as provided herein.

(vi) If any Lender fails to make available to the Administrative Agent for the account of the relevant Issuing Bank any amount required to be paid by such Lender pursuant to the foregoing provisions of this paragraph (d) by the time specified in paragraph (d)(ii) of this Section, then, without limiting the other provisions of this Agreement, such Issuing Bank shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to such Issuing Bank at a rate per annum equal to the greater of the Federal Funds Effective Rate from time to time in effect and a rate determined by such Issuing Bank in accordance with banking industry rules on interbank compensation, plus any reasonable administrative, processing or similar fees customarily charged by such Issuing Bank in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Revolving Loan included in the relevant Borrowing or L/C Advance in respect of the relevant L/C Borrowing, as the case may be. A certificate of the relevant Issuing Bank submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (vi) shall be conclusive absent manifest error.

(e) Repayment of Participations.

(i) If, at any time after an Issuing Bank has made payment in respect of any drawing under any Letter of Credit issued by it and has received from any Lender its L/C Advance in respect of such payment in accordance with Section 2.18(d)(ii), if the Administrative Agent receives for the account of such Issuing Bank any payment in respect of the related Unreimbursed Amount or interest thereon (whether directly from the Borrower or otherwise, including proceeds of Cash Collateral applied thereto by the Administrative Agent), the Administrative Agent will distribute to such Lender its Applicable Percentage thereof (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's L/C Advance was outstanding) in like funds as received by the Administrative Agent.

(ii) If any payment received by the Administrative Agent for the account of an Issuing Bank pursuant to Section 2.17(d)(ii) is required to be returned under any of the circumstances described in Section 9.15 (including pursuant to any settlement entered into by such Issuing Bank in its discretion), each Lender shall pay to the Administrative Agent for the account of such Issuing Bank its Applicable Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Lender at a rate per annum equal to the Federal Funds Effective Rate from time to time in effect. The obligations of the Lenders under this clause (ii) shall survive the payment in full of the Obligations and the termination of this Agreement.

(f) Obligations Absolute. The obligation of the Borrower to reimburse the relevant Issuing Bank for each drawing under each Letter of Credit and to repay each L/C Borrowing shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances whatsoever and irrespective of:

(i) any lack of validity or enforceability of such Letter of Credit or any term or provision thereof, any Loan Document, or any other agreement or instrument relating thereto;

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(ii) the existence of any claim, counterclaim, setoff, defense or other right that the Borrower may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the relevant Issuing Bank or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;

(iii) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(iv) any payment by the relevant Issuing Bank under such Letter of Credit against presentation of a draft or certificate that does not comply strictly with the terms of such Letter of Credit;

(v) any exchange, release or nonperfection of any collateral, or any release or amendment or waiver of or consent to departure from any guarantee, for all or any of the Obligations of the Borrower in respect of such Letter of Credit; or

(vi) any act or omission to act or delay of any kind of the relevant Issuing Bank, any Lender, the Administrative Agent or any other Person, or any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a defense available to, or discharge of, the Borrower's obligations hereunder.

(g) Role of Issuing Bank. Each Lender and the Borrower agree that, in paying any drawing under a Letter of Credit, the relevant Issuing Bank shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by such Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any document or the authority of the Person executing or delivering any document. None of the relevant Issuing Bank, any Related Person nor any of the respective correspondents, participants or assignees of such Issuing Bank shall be liable to any Lender for (i) any action taken or omitted in connection herewith at the request or with the approval of the requisite Lenders; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or any L/C Application. The Borrower hereby assumes all risks of the acts of omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided that this assumption is not intended to, and shall not, preclude the Borrower from pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. None of the relevant Issuing Bank, any Related Person nor any of the respective correspondents, participants or assignees of such Issuing Bank shall be liable or responsible for any of the matters described in Section 2.18(f); provided that, notwithstanding anything in such clauses to the contrary, the Borrower may have a claim against such Issuing Bank, and such Issuing Bank may be liable to the Borrower, to the extent, but only to the extent, of any direct (as opposed to indirect, special, punitive, consequential or exemplary) damages suffered by the Borrower which a court of competent jurisdiction determines in a final nonappealable judgment were caused by such Issuing Bank's gross negligence or willful misconduct or such Issuing Bank's willful or grossly negligent failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate (s) strictly complying with the terms and conditions of a Letter of Credit. In furtherance and not in limitation of the foregoing, the relevant Issuing Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and such Issuing Bank shall not be responsible for the validity or sufficiency of any instrument

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transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason.

(h) Applicability of ISP98. Unless otherwise expressly agreed by the relevant Issuing Bank and the Borrower when a Letter of Credit is issued, the rules of the “International Standby Practices 1998” published by the Institute of International Banking Law & Practice (or such later version thereof as may be in effect at the time of issuance), and, to the extent not inconsistent therewith, the law of the State of New York, shall apply to such Letter of Credit.

(i) Reporting. Not later than the third Business Day following the last day of each month (or at such other intervals as the Administrative Agent and the relevant Issuing Bank shall agree), each Issuing Bank shall provide to the Administrative Agent a schedule of the Letters of Credit issued by it, in form and substance reasonably satisfactory to the Administrative Agent, showing the date of issuance of each Letter of Credit, the account party, the original face amount (if any), the expiration date, and the reference number of any Letter of Credit outstanding at any time during such month, and showing the aggregate amount (if any) payable by the Borrower to such Issuing Bank during such month.

(j) Cash Collateral. If (i) an Event of Default shall occur and be continuing and the Borrower receives notice from the Administrative Agent or the Required Lender (or, if the Commitments have terminated, Lenders representing more than 50% of the total L/C Exposure) demanding the deposit of Cash Collateral pursuant to this paragraph or (ii) the Borrower shall be required to provide cover for L/C Exposure pursuant to Section 2.19, the Borrower shall immediately deposit into an account established and maintained on the books and records of the Administrative Agent, which account may be a “securities account” (within the meaning of Section 8 501 of the Uniform Commercial Code as in effect in the State of New York), in the name of the Administrative Agent and for the benefit of the Lenders, an amount in cash in Dollars equal to (x) in the case of an Event of Default, 103% of the sum of L/C Exposure as of such date plus any accrued and unpaid interest thereon and (y) in the case of cover pursuant to Section 2.19, the amount required thereunder; provided that the obligation to deposit such Cash Collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in clause (h) or (i) of Article VII. Such deposit shall be held by the Administrative Agent as collateral for the L/C Exposure under this Agreement, and for this purpose the Borrower hereby grants a security interest to the Administrative Agent for the benefit of the Lenders in such collateral account and in any financial assets (as defined in the Uniform Commercial Code) or other property held therein.

SECTION 2.19. Defaulting Lenders

Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) facility fees shall cease to accrue on the Commitment of such Defaulting Lender pursuant to Section 2.09(a) (except to the extent allocable to (i) the outstanding principal amount of the Revolving Loans funded by it and (ii) its outstanding Swingline Exposure and/or LC Exposure for which such Defaulting Lender has provided Cash Collateral to the relevant Swingline Lender or Issuing Bank hereunder);

(b) the Commitment and Revolving Credit Exposure of such Defaulting Lender shall not be included in determining whether the Required Lenders have taken or may take any action hereunder

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(including any consent to any amendment, waiver or other modification pursuant to Section 9.02), except that (i) the Commitment(s) of any Defaulting Lender may not be increased or extended, or the maturity of any of its Loans may not be extended, the rate of interest on any of its Loans may not be reduced and the principal amount of any of its Loans may not be forgiven, in each case without the consent of such Defaulting Lender and (ii) any amendment, waiver or consent requiring the consent of all the Lenders or each affected Lender that by its terms affects any Defaulting Lender more adversely than the other affected Lenders shall require the consent of such Defaulting Lender;

(c) if any Swingline Exposure or L/C Exposure exists at the time such Lender becomes a Defaulting Lender then:

(i) all or any part of the Swingline Exposure and L/C Exposure of such Defaulting Lender shall be reallocated among the non-Defaulting Lenders in accordance with their respective Applicable Percentages but only to the extent the sum of all non-Defaulting Lenders' Revolving Credit Exposures plus such Defaulting Lender's Swingline Exposure and L/C Exposure does not exceed the total of all non-Defaulting Lenders' Commitments;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrower shall within one Business Day following notice by the Administrative Agent (x) first, prepay such Swingline Exposure and (y) second, Cash Collateralize for the benefit of the Issuing Banks only the Borrower's obligations corresponding to such Defaulting Lender's L/C Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 2.18(j) for so long as such L/C Exposure is outstanding;

(iii) if the Borrower Cash Collateralizes any portion of such Defaulting Lender's L/C Exposure pursuant to clause (ii) above, the Borrower shall not be required to pay any Letter of Credit fees to such Defaulting Lender pursuant to Section 2.09(b) with respect to such Defaulting Lender's L/C Exposure during the period such Defaulting Lender's L/C Exposure is Cash Collateralized;

(iv) if the L/C Exposure of the non-Defaulting Lenders is reallocated pursuant to clause (i) above, then the Letter of Credit fees payable to the Lenders pursuant to Section 2.09(b) shall be adjusted in accordance with such non-Defaulting Lenders' Applicable Percentages; and

(v) if all or any portion of such Defaulting Lender's L/C Exposure is neither reallocated nor Cash Collateralized pursuant to clause (i) or (ii) above, then, without prejudice to any rights or remedies of any Issuing Bank or any Lender hereunder, all facility fees that otherwise would have been payable to such Defaulting Lender pursuant to Section 2.09(a) (solely with respect to the portion of such Defaulting Lender's Commitment that was utilized by such L/C Exposure) and Letter of Credit fees payable under Section 2.09(b) with respect to such Defaulting Lender's L/C Exposure shall be payable to the relevant Issuing Bank until and to the extent that such L/C Exposure is reallocated and/or Cash Collateralized; and

(d) so long as such Lender is a Defaulting Lender, the Swingline Lender shall not be required to fund any Swingline Loan and no Issuing Bank shall be required to make any L/C Credit Extension, unless it is satisfied that the related exposure and the Defaulting Lender's then outstanding L/C Exposure will be 100% covered by the Commitments of the non-Defaulting Lenders and/or Cash Collateral will be provided by the Borrower in accordance with Section 2.19(c), and participating interests in any newly made Swingline Loan or any newly issued or increased Letter of Credit shall be allocated

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among non-Defaulting Lenders in a manner consistent with Section 2.19(c)(i) (and such Defaulting Lender shall not participate therein).

If (i) a Bankruptcy Event with respect to any Person as to which any Lender is, directly or indirectly, a Subsidiary shall occur following the date hereof and for so long as such event shall continue or (ii) the Swingline Lender or any Issuing Bank has a good faith belief that any Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, the Swingline Lender shall not be required to fund any Swingline Loan and no Issuing Bank shall be required to make any L/C Credit Extension, unless the Swingline Lender or such Issuing Bank, as the case may be, shall have entered into arrangements with the Borrower or such Lender, satisfactory to the Swingline Lender or such Issuing Bank, as the case may be, to defease any risk to it in respect of such Lender hereunder.

In the event that the Administrative Agent, the Borrower, the Swingline Lender and the Issuing Banks each agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the Swingline Exposure and L/C Exposure of the Lenders shall be readjusted to reflect the inclusion of such Lender's Commitment and on such date such Lender shall purchase at par such of the Loans of the other Lenders (other than Swingline Loans) as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Applicable Percentage.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Lenders that:

SECTION 3.01. Organization; Powers

Each of the Borrower and its Subsidiaries is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required, except where the failure to have such power and authority and to be so qualified or to be in good standing, or, in the case of Subsidiaries, to be so organized or validly existing, could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

SECTION 3.02. Authorization; Enforceability

The Transactions are within the Borrower's corporate powers and have been duly authorized by all necessary corporate and, if required, by all necessary shareholder action. This Agreement has been duly executed and delivered by the Borrower and constitutes, and each other Loan Document entered into by the Company after the Effective Date (upon its execution and delivery) will have been duly executed and will constitute, a legal, valid and binding obligation of the Borrower, enforceable in accordance with its terms, except as such enforceability may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or similar laws of general applicability affecting the enforcement of creditors' rights and (b) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

SECTION 3.03. Governmental Approvals; No Conflicts

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The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect, (b) will not violate the charter, by-laws or other organizational documents of the Borrower, (c) will not violate any applicable law or applicable regulation or order of any Governmental Authority, except where any such violation could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, (d) will not violate or result in a default under any indenture, agreement or other instrument binding upon the Borrower or any of its Subsidiaries or give rise to a right thereunder to require any payment to be made by any such Person, except where any such violation or default or payment could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, and (e) will not result in the creation or imposition of any Lien on any asset of the Borrower or any of its Subsidiaries pursuant to any indenture, agreement or other instrument referred to in clause (d) of this Section (other than Liens permitted under Section 6.01).

SECTION 3.04. Financial Condition; No Material Adverse Change

(a) Financial Condition. The Borrower has heretofore furnished to the Lenders (i) its consolidated balance sheet and statements of income, retained earnings and cash flows as of and for the fiscal year ended December 31, 2010, reported on by KPMG LLP, independent public accountants, and set forth in the Borrower's 2010 Annual Report and (ii) its unaudited interim consolidated balance sheet and statements of income, retained earnings and cash flows as of and for the fiscal quarter ended on June 30, 2011, certified by a Financial Officer of the Borrower. Such financial statements present fairly, in all material respects, the income and cash flows of the Borrower and its Subsidiaries as of such dates and for such periods in accordance with GAAP, subject to year-end audit adjustments and the absence of footnotes in the case of the statements referred to in clause (ii) of the first sentence of this paragraph.

(b) No Material Adverse Change. Since December 31, 2010, there has been no material adverse change in the business, assets, operations or financial condition of the Borrower and its Subsidiaries, taken as a whole.

SECTION 3.05. Properties

(a) Property Generally. Each of the Borrower and its Subsidiaries has good title to, or valid leasehold interests in, all its real and personal property material to its business, subject only to Liens permitted by Section 6.01 and except where the defects in title or in the validity of any interests in such real or personal property could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(b) Intellectual Property. Each of the Borrower and its Subsidiaries owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual property material to its business, except to the extent the failure to so own or so use could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

SECTION 3.06. Litigation, Environmental and Intellectual Property Matters

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(a) Actions, Suits and Proceedings. There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority now pending against or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any of its Subsidiaries (i) as to which there is a reasonable possibility of an adverse determination and that could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect (other than the Disclosed Matters) or (ii) that questions the validity of this Agreement.

(b) Environmental Matters. Except for the Disclosed Matters and except with respect to any other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, neither the Borrower nor any of its Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability or (iv) knows of any basis for any Environmental Liability.

(c) Intellectual Property Matters. Except for the Disclosed Matters, the use of intellectual property described in Section 3.05(b) by the Borrower and its Subsidiaries does not, to the knowledge of the Borrower, infringe upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(d) Disclosed Matters. Since the date of this Agreement, there has been no change in the status of the Disclosed Matters that, individually or in the aggregate, has resulted in, or could reasonably be expected to result in, a Material Adverse Effect.

SECTION 3.07. Compliance with Laws and Agreements

Each of the Borrower and its Subsidiaries is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. No Default has occurred and is continuing.

SECTION 3.08. Investment Company Status

Neither the Borrower nor any of its Subsidiaries is an “investment company” as defined in, or subject to regulation under, the Investment Company Act of 1940.

SECTION 3.09. Taxes

Each of the Borrower and its Subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which the Borrower or such Subsidiary, as applicable, has set aside on its books adequate reserves or (b) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.10. ERISA

No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect. The present value of all accumulated

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benefit obligations under each Plan (based on assumptions used for the purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the Borrower's financial statements set forth in its most recent filing on Form 10-K, exceed the fair market value of the assets of such Plan by an amount that could reasonably be expected to result in a Material Adverse Effect if such Plan were involuntarily terminated.

SECTION 3.11. Disclosure

None of the reports, financial statements, certificates or other written information furnished by or on behalf of the Borrower to the Lenders in connection with the negotiation of this Agreement or delivered hereunder (as modified or supplemented by other information so furnished), taken as a whole, contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information and other projections or estimates or general economic information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

SECTION 3.12. Use of Credit

Neither the Borrower nor any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose, whether immediate, incidental or ultimate, of buying or carrying Margin Stock, and no part of the proceeds of any Loans, and no Letters of Credit, hereunder will be used for any purpose that constitutes a violation of any of the regulations of the Board, including Regulations U and X.

ARTICLE IV

CONDITIONS

SECTION 4.01. Effective Date

The obligations of the Lenders to make Loans and of the Issuing Banks to make L/C Credit Extensions hereunder shall not become effective until the date on which the Administrative Agent shall have received each of the following documents, each of which shall be reasonably satisfactory to the Administrative Agent (and to the extent specified below, to each Lender) in form and substance (or such condition shall have been waived in accordance with Section 9.02), it being understood that such documents shall only be required to be delivered on the Effective Date:

(a) Executed Counterparts. From each party hereto either (i) a counterpart of this Agreement signed on behalf of such party or (ii) written evidence satisfactory to the Administrative Agent (which may include fax or electronic transmission of a signed signature page to this Agreement) that such party has signed a counterpart of this Agreement;

(b) Opinion of Counsel to the Borrower. Favorable written opinions (addressed to the Administrative Agent and the Lenders and dated the Effective Date) of (i) Drinker Biddle & Reath LLP, special New Jersey counsel for the Borrower, substantially in the form of Exhibit B-1, and (ii) Simpson Thacher & Bartlett LLP, special New York counsel for the Borrower, substantially in the form of Exhibit B-2, and each covering such other matters relating to the Borrower, this Agreement or the Transactions as the Administrative Agent shall reasonably request (and the Borrower hereby instructs such counsels to deliver such opinions to the Lenders and the Administrative Agent);

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(c) Opinion of Special New York Counsel to JPMCB. An opinion, dated the Effective Date, of Milbank, Tweed, Hadley & McCloy LLP, special New York counsel to JPMCB, substantially in the form of Exhibit C (and JPMCB hereby instructs such counsel to deliver such opinion to the Lenders);

(d) Corporate and Other Documents. Such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of the Borrower, the authorization of the Transactions and the validity of this Agreement, and any other matters relevant hereto, all in form and substance reasonably satisfactory to the Administrative Agent and its counsel;

(e) Officer's Certificate. A certificate, dated the Effective Date and signed by the President, a Vice President or a Financial Officer of the Borrower, confirming compliance with the conditions set forth in clauses (a) and (b) of the first sentence of Section 4.02 (excluding, however, the first parenthetical clause in such clause (a));

(f) Repayment of Existing Credit Agreement. Evidence that as of the Effective Date the principal of and interest on, and all fees owing under the Existing Credit Agreement shall have been (or shall be simultaneously) paid in full (provided that the Borrower may request a Borrowing hereunder as of the Effective Date) and all commitments of lenders thereunder shall have been terminated (and, by its execution of this Agreement, each Lender that is party to the Existing Credit Agreement hereby waives any prior notice requirement with respect to any prepayment of amounts and/or termination of commitments under the Existing Credit Agreement contemplated by this paragraph (f), which payments and termination will be effective as of the Effective Date); and

(g) Fees and Expenses. The Borrower shall have paid to the Administrative Agent for the account of the respective Person or Persons entitled thereto all such fees and expenses as it shall have agreed in writing to pay to the Administrative Agent, the Lenders and the Joint Lead Arrangers in connection herewith (including the reasonable fees and expenses of Milbank, Tweed, Hadley & McCloy LLP, special New York counsel to the Administrative Agent, that are due and payable on or prior to the Effective Date and for which an invoice has been presented to the Borrower at least one Business Day prior to the Effective Date).

The Administrative Agent shall notify the Borrower and the Lenders of the Effective Date, and such notice shall be conclusive and binding.

SECTION 4.02. Each Credit Event

The obligation of each Lender to make a Loan on the occasion of any Borrowing, and of the Issuing Banks to make an L/C Credit Extension, is subject to the satisfaction of the following conditions:

(a) the representations and warranties of the Borrower set forth in this Agreement (other than Sections 3.04(b), 3.05(b) and 3.06) shall be true and correct in all material respects (or, in the case of any such representations and warranties qualified as to materiality, in all respects) on and as of the date of such Borrowing or L/C Credit Extension, as applicable (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date); and

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(b) at the time of and immediately after giving effect to such Borrowing or L/C Credit Extension, as applicable, no Default shall have occurred and be continuing.

Each Borrowing and L/C Credit Extension shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in the preceding sentence.

ARTICLE V

AFFIRMATIVE COVENANTS

Until the Commitments have expired or been terminated, all Obligations shall have been paid in full and all Letters of Credit shall have expired or been terminated, the Borrower covenants and agrees with the Lenders that:

SECTION 5.01. Financial Statements and Other Information

The Borrower will furnish, or cause to be furnished, to the Administrative Agent (and upon furnishing thereof the Administrative Agent will promptly make available to each of the Lenders):

(a) within 65 days after the end of each fiscal year of the Borrower, the audited consolidated balance sheet and related statements of income and cash flows of the Borrower and its Subsidiaries as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by KPMG LLP or other independent public accountants of recognized national standing (without a “going concern” or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Borrower and its Subsidiaries on a consolidated basis in accordance with GAAP consistently applied;

(b) within 40 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower, the consolidated balance sheet and related statement of income of the Borrower and its Subsidiaries as of the end of and for such fiscal quarter and the related consolidated statement of income for such fiscal quarter and the related consolidated statements of income and cash flows for the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for (or, in the case of the balance sheet, as of the end of) the corresponding period or periods of the previous fiscal year, all certified by a Financial Officer of the Borrower as presenting fairly in all material respects the financial condition and results of operations of the Borrower and its Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(c) concurrently with any delivery of financial statements under clause (a) or (b) of this Section, a certificate of a Financial Officer of the Borrower (i) certifying as to whether a Default has occurred and is continuing and, if a Default has occurred and is continuing, specifying the details thereof and any action taken or proposed to be taken with respect thereto and (ii) setting forth reasonably detailed calculations demonstrating compliance with Section 6.04;

(d) concurrently with any delivery of financial statements under clause (a) of this Section, a certificate of the accounting firm that reported on such financial statements stating whether they obtained knowledge during the course of their examination of such financial statements of any Default in respect of Section 6.04 (which certificate may be limited to the extent required by accounting rules or guidelines);

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(e) promptly after the same become publicly available, copies of all periodic and other reports and proxy statements filed by the Borrower or any of its Subsidiaries with the SEC, or any Governmental Authority succeeding to any or all of the functions of the SEC, or with any national securities exchange, or distributed by the Borrower to its shareholders generally, as the case may be;

(f) promptly upon the filing thereof, copies of all registration statements (other than the exhibits thereto and any registration statements on Form S-8 or its equivalents) and reports on Forms 10-K, 10-Q and 8-K (or their equivalents) which the Borrower shall have filed with the SEC;

(g) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of the Borrower or any of its Subsidiaries, or compliance with the terms of this Agreement and the other Loan Documents, as the Administrative Agent (at the request of any Lender) may reasonably request.

Information required to be furnished pursuant to this Section shall be deemed to have been furnished to the Administrative Agent on the date on which the Borrower provides written notice to the Administrative Agent that such information has been posted on its website on the Internet at <http://www.crbard.com>; provided that if such website is not available the Borrower will also provide a written copy of such information to the Administrative Agent. Information delivered pursuant to this Section may also be delivered by electronic communication pursuant to procedures approved by the Administrative Agent and the Borrower pursuant to Section 9.01 (b).

SECTION 5.02. Notices of Material Events

The Borrower will furnish to the Administrative Agent and each Lender written notice of the following promptly after a Financial Officer becomes aware thereof:

(a) the occurrence of any Default;

(b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting the Borrower or any of its Affiliates that, if there is a reasonable possibility of an adverse determination, could reasonably be expected to result in a Material Adverse Effect;

(c) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in liability of the Borrower and its Subsidiaries that could reasonably be expected to result in a Material Adverse Effect; and

(d) any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer or other executive officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 5.03. Existence; Conduct of Business

The Borrower will, and will cause each of its Subsidiaries to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect (a) its legal existence and (b) its

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rights, licenses, permits, contracts, privileges and franchises except to the extent that failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect; provided that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 6.02.

SECTION 5.04. Payment of Obligations

The Borrower will, and will cause each of its Subsidiaries to, pay its obligations (other than Indebtedness), including tax liabilities, that, if not paid, could reasonably be expected to result in a Material Adverse Effect before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) the Borrower or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (c) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.05. Maintenance of Properties; Insurance

The Borrower will, and will cause each of its Subsidiaries to, (a) keep and maintain its property in good working order and condition, ordinary wear and tear excepted, except where failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect and (b) maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as, to the Borrower's knowledge, are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations; provided that the Borrower may self-insure against risks in amounts and in a manner, in the Borrower's judgment, that is prudent and consistent with current market practices for such insurance coverage of companies engaged in the same or similar businesses operating in the same or similar locations.

SECTION 5.06. Books and Records; Inspection Rights

The Borrower will, and will cause each of its Subsidiaries to, keep proper books of record and account in conformity with GAAP (or in the case of a foreign Subsidiary, in conformity with generally accepted accounting principles in the jurisdiction of organization of such foreign Subsidiary). The Borrower will, and will cause each of its Subsidiaries to, permit any representatives designated by the Administrative Agent or any Lender, upon reasonable prior notice from any Lender which shall be given through and coordinated by the Administrative Agent, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times but not to exceed one time in any fiscal year (provided that such limitation shall not apply at any time a Default has occurred or is continuing).

SECTION 5.07. Compliance with Laws

The Borrower will, and will cause each of its Subsidiaries to, comply with all laws, rules, regulations and orders (including Environmental Laws) of any Governmental Authority applicable to it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.08. Use of Proceeds and Letters of Credit

The proceeds of the Loans will be used for the general corporate purposes (including commercial paper back-up) of the Borrower and its Subsidiaries. Letters of Credit will be used for the general corporate purposes of the Borrower and its Subsidiaries. No part of the proceeds of any Loan will

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be used, whether directly or indirectly, for any purpose that constitutes a violation of any of the regulations of the Board, including Regulations U and X.

ARTICLE VI

NEGATIVE COVENANTS

Until the Commitments have expired or been terminated, all Obligations shall have been paid in full and all Letters of Credit shall have expired or been terminated, the Borrower covenants and agrees with the Lenders that:

SECTION 6.01. Liens

The Borrower will not, nor will it permit any of its Subsidiaries to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, except:

(a) Permitted Encumbrances;

(b) any Lien existing on the date hereof securing Indebtedness outstanding on the date hereof;

(c) any Lien existing on any asset of any Person at the time such Person becomes a Subsidiary and not created in contemplation of such event;

(d) any Lien on any fixed or capital asset securing Indebtedness incurred or assumed for the purpose of financing all or any part of the cost of acquiring such asset; provided that such Lien attaches to such asset concurrently with or within 180 days after the acquisition thereof;

(e) any Lien on any asset of any Person existing at the time such corporation is merged or consolidated with or into the Borrower or a Subsidiary and not created in contemplation of such event;

(f) any Lien existing on any asset prior to the acquisition thereof by the Borrower or a Subsidiary and not created in contemplation of such acquisition;

(g) any Lien arising out of the refinancing, extension, renewal or refunding of any Indebtedness or other obligations secured by any Lien permitted by any of the foregoing clauses of this Section, provided that the Liens securing such refinancing, extension, renewal or refunding of any such Indebtedness or other obligations do not cover additional assets not covered immediately prior to such refinancing, extension, renewal or refunding; and

(h) Liens not otherwise permitted by the foregoing clauses of this Section which secure Indebtedness and other obligations in an aggregate principal or face amount not to exceed at the time any such Lien is created the greater of (i) \$375,000,000 and (ii) 20% of Consolidated Net Worth (determined as of the end of the most recent fiscal period for which financial statements have been furnished pursuant to Section 5.01).

SECTION 6.02. Fundamental Changes

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The Borrower will not enter into any transaction of merger or consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or convey, sell, lease, transfer or otherwise dispose of, in one transaction or a series of transactions, all or substantially all of the property of the Borrower and its Subsidiaries taken as a whole, unless (a) either (i) the Borrower is the surviving or continuing corporation in any such transaction or (ii) the surviving or continuing corporation in any such merger or consolidation (if other than the Borrower) or the Person which acquires all or substantially all of such assets shall be a corporation organized and existing under the laws of the United States of America, any State thereof or the District of Columbia (the "Successor Corporation") and shall expressly assume, by amendment to this Agreement executed by the Borrower, the Successor Corporation and the Administrative Agent, the due and punctual payment of the principal of and interest on the Loans and all other amounts payable hereunder and the payment and performance of every covenant hereof on the part of the Borrower to be performed or observed hereunder and (b) immediately after such transaction, no Default shall have occurred and be continuing; provided that nothing in this Section shall limit any sale, lease, transfer or other disposition of assets of any Subsidiary to the Borrower or another Subsidiary.

SECTION 6.03. Transactions with Affiliates

The Borrower will not, nor will it permit any of its Subsidiaries to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (a) transactions at prices and on terms and conditions not less favorable to the Borrower or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties and (b) transactions between or among the Borrower and its Subsidiaries not involving any other Affiliate.

SECTION 6.04. Consolidated Debt to Capital Ratio

The Borrower will not permit the Consolidated Debt to Capital Ratio to exceed 0.60 to 1.00 as at the last day of any fiscal quarter ending after the Effective Date.

ARTICLE VII

EVENTS OF DEFAULT

If any of the following events ("Events of Default") shall occur:

(a) the Borrower shall fail to pay any principal of any Loan or any L/C Borrowing when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) the Borrower shall fail to pay any interest on any Loan or any L/C Borrowing or any fee payable hereunder, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of three or more Business Days;

(c) any representation or warranty made or deemed made by the Borrower in this Agreement or any other Loan Document or any amendment or modification hereof or thereof, or in any certificate furnished pursuant hereto or thereto or any amendment or modification hereof or thereof, shall prove to have been incorrect in any material respect when made or deemed made;

(d) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in Section 5.02(a) (but only to the extent relating to the occurrence of a Default under

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Section 5.03 (with respect to the Borrower's existence), Section 5.08 or Article VI), Section 5.03 (with respect to the Borrower's existence), Section 5.08 or Article VI;

(e) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in this Agreement (other than those specified in clause (a), (b) or (d) of this Article) and such failure shall continue unremedied for a period of 30 or more days after notice thereof from the Administrative Agent (given at the request of any Lender) to the Borrower;

(f) the Borrower or any of its Subsidiaries shall fail to make any payment of principal or interest in respect of Material Financial Obligations, when and as the same shall become due and payable (but after giving effect to any applicable grace periods);

(g) any event or condition occurs which results in the acceleration of the maturity of Material Indebtedness;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any of its Subsidiaries (other than any Excluded Subsidiary, except for affected Excluded Subsidiaries which, in the aggregate, have total assets as at the end of the most recently completed fiscal year or revenues for such fiscal year of more than 10% of the consolidated assets or consolidated revenues, respectively, of the Borrower and its Subsidiaries (determined on a consolidated basis without duplication in accordance with GAAP) as of the end of, or for, such fiscal year) or its debts, or of a substantial part of its assets, under any Debtor Relief Law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any such Subsidiaries or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for a period of 60 or more days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) the Borrower or any of its Subsidiaries (other than any Subsidiary excluded by the parenthetical clause in clause (h) of this Article) shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Debtor Relief Law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any such Subsidiaries or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(j) the Borrower or any of its Subsidiaries (other than any Subsidiary excluded by the parenthetical clause in clause (h) of this Article) shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(k) one or more judgments for the payment of money in an aggregate amount in excess of \$100,000,000 (except to the extent covered by insurance) shall be rendered against the Borrower or any of its Subsidiaries or any combination thereof and the same shall remain undischarged for a period of 60 consecutive days during which execution shall not be effectively stayed;

(l) an ERISA Event shall have occurred since the date of the Plan's last certified annual financial statements that, when taken together with all other ERISA Events that have occurred since such date, could reasonably be expected to result in a Material Adverse Effect; or

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(m) any person or group of persons (within the meaning of Section 13 or 14 of the Securities Exchange Act) shall have acquired beneficial ownership (within the meaning of Rule 13d-3 promulgated by the SEC under the Securities Exchange Act) of 33-1/3% or more of the outstanding shares of common stock of the Borrower; or, during any period of 15 consecutive calendar months, individuals who were directors of the Borrower on the first day of such period or directors of the Borrower who were not directors on the first day of such period, if in each case, such director's nomination for election to the board of directors of the Borrower is recommended by at least a majority of the directors of the Borrower on the first day of such period, shall cease to constitute a majority of the board of directors of the Borrower;

then, and in every such event (other than an event with respect to the Borrower described in clause (h) or (i) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent shall, at the request of the Required Lenders, by notice to the Borrower, take any or all of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall become due and payable immediately, (iii) require that the Borrower Cash Collateralize the L/C Exposure as provided in Section 2.18(j) and (iv) exercise on behalf of itself, the Lenders and the Issuing Banks all rights and remedies available to it, the Lenders and the Issuing Banks under this Agreement and the other Loan Documents and/or applicable law, in each case, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; and in case of any event with respect to the Borrower described in clause (h) or (i) of this Article, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall automatically become due and payable, and the obligation of the Borrower to Cash Collateralize the L/C Exposure as provided in clause (iii) above shall automatically become effective, in each case without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower. Amounts held as Cash Collateral hereunder shall be applied by the Administrative Agent to the payment of drafts drawn under any outstanding Letters of Credit, and the unused portion thereof after all Letters of Credit shall have expired or been fully drawn upon, if any, shall be applied to repay other Obligations; provided that after all Letters of Credit shall have expired or been fully drawn upon and all Obligations shall have been paid in full, the balance, if any, of such Cash Collateral shall be returned to the Borrower.

ARTICLE VIII

THE ADMINISTRATIVE AGENT

Each of the Lenders and the Issuing Banks hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms of this Agreement and the other Loan Documents, together with such actions and powers as are reasonably incidental thereto.

The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such Person and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if it were not the Administrative Agent hereunder.

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The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise in writing by the Required Lenders, and (c) except as expressly set forth herein or in the other Loan Documents, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Subsidiaries that is communicated to or obtained by the Person serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders or in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by the Borrower or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or the other Loan Documents, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein or therein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

The Administrative Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub agents appointed by the Administrative Agent. The Administrative Agent and any such sub agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub agent and to the Related Parties of the Administrative Agent and any such sub agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

The Administrative Agent may resign at any time by notifying the Lenders, the Issuing Banks and the Borrower. In addition, the Required Lenders may remove the Administrative Agent at any time, upon 30 days notice to the Administrative Agent. Upon any such resignation or removal, the Required Lenders shall have the right, with the prior written consent of the Borrower (which consent shall not be unreasonably withheld), to appoint a successor administrative agent from among the Lenders. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation or is removed, then the retiring Administrative Agent's resignation or removal shall nonetheless become effective and (1) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and (2) the Required Lenders shall perform the duties of the Administrative Agent (and all payments and communications provided to be made by, to or through the Administrative Agent

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shall instead be made by or to each Lender directly) until such time as the Required Lenders appoint a successor agent as provided for above in this paragraph. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring or removed Administrative Agent and the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder (if not already discharged therefrom as provided above in this paragraph). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the Administrative Agent's resignation or removal hereunder, the provisions of this Article and Section 9.03 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Administrative Agent.

Each Lender and each Issuing Bank acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and each Issuing Bank also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document, any related agreement or any document furnished hereunder or thereunder.

Anything herein to the contrary notwithstanding, the Joint Lead Arrangers, the Syndication Agent and the Documentation Agents listed on the cover page hereof shall not have any duties or responsibilities under this Agreement, except in their capacity, if any, as Lenders hereunder.

ARTICLE IX

MISCELLANEOUS

SECTION 9.01. Notices

(a) Except in the case of notices and other communications expressly permitted to be given by telephone, all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by fax or (but only to the extent and in the manner approved pursuant to Section 9.01(b)) transmitted by electronic communication, as follows:

(i) if to the Borrower, to C. R. Bard, Inc., 730 Central Avenue, Murray Hill, New Jersey 07974, Attention of Scott T. Lowry, Vice President and Treasurer (Fax No. (908) 277-8265; Telephone No. (908) 277-8265), with a copy to the office of general counsel (Fax No. (908) 277-8025; Telephone No. (908) 277-8000);

(ii) if to the Administrative Agent, to JPMorgan Chase Bank, N.A., 10 South Dearborn Street, 7th floor, Chicago, IL 60603, Attention: Chicago Loan & Agency Services, Joyce King (Fax No. (888) 292-9533; Telephone No. (312) 385-7025), with a copy to JPMorgan Chase Bank, N.A, 277 Park Avenue, 43rd floor, New York, New York 10017, Attention of James A. Knight (Fax No. (646) 534-3081; Telephone No. (212) 622-8486);

(iii) if to JPMCB as an Issuing Bank, to JPMorgan Chase Bank, N.A., 10 South Dearborn Street, Chicago, IL 60603, Attention: LC Agency Team (Fax No. (312) 385-7102; Telephone No. (800) 634-1969);

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(iv) if to the Swingline Lender, to JPMorgan Chase Bank, N.A., 10 South Dearborn Street, 7th floor, Chicago, IL 60603, Attention: Chicago Loan & Agency Services, Joyce King (Fax No. (888) 292-9533; Telephone No. (312) 385-7025), with a copy to JPMorgan Chase Bank, N.A, 277 Park Avenue, 43rd floor, New York, New York 10017, Attention of James A. Knight (Fax No. (646) 534-3081; Telephone No. (212) 622-8486); and

(v) if to any other Lender, to it at its address (or fax number) set forth in its Administrative Questionnaire.

Any party hereto may change its address or fax number for notices and other communications hereunder by notice to the other parties hereto (or, in the case of any such change by a Lender, by notice to the Borrower and the Administrative Agent). All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt (except that, if not given during normal business hours for the recipient, such notice or other communication (other than any notice given in accordance with Article II) shall be deemed to have been given at the opening of business on the next business day for the recipient).

(b) Notices and other communications to the Lenders and the Issuing Banks hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent and the Borrower; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender or Issuing Bank, as applicable. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

SECTION 9.02. Waivers; Amendments

(a) No Deemed Waivers; Remedies Cumulative. No failure or delay by the Administrative Agent, any Issuing Bank or any Lender in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Issuing Banks and the Lenders hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or an L/C Credit Extension shall not be construed as a waiver of any Default, regardless of whether Administrative Agent, any Lender or any Issuing Bank may have had notice or knowledge of such Default at the time.

(b) Amendments. Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or by the Borrower and the Administrative Agent with the consent of the Required Lenders (except as otherwise provided in Sections 2.06(d) and 6.02); provided that no such agreement shall:

(i) increase the Commitment of any Lender without the written consent of such Lender;

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(ii) reduce the principal amount of any Loan or L/C Borrowing or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender affected thereby;

(iii) postpone the scheduled date of payment of the principal amount of any Loan or L/C Borrowing, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender affected thereby;

(iv) change paragraph (c) or (d) of Section 2.15 in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender affected thereby; or

(v) change any of the provisions of this Section or the percentage in the definition of the term "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender;

provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent, any Issuing Bank or the Swingline Lender hereunder without the prior written consent of the Administrative Agent, such Issuing Bank or the Swingline Lender, as the case may be.

Notwithstanding anything herein to the contrary, in connection with an amendment (or an amendment and restatement of this Agreement that requires the consent of all the Lenders affected thereby pursuant to the immediately preceding sentence with respect to which the Required Lenders have granted their consent but one or more other Lenders have not consented (each such non-consenting Lender, a "Non-Consenting Lender"), this Agreement may be amended or amended and restated in its entirety by an agreement in writing entered into by the Borrower, all the Lenders (other than any Non-Consenting Lenders) and the Administrative Agent; provided that (A) the Commitment of each Non-Consenting Lender shall terminate upon the effectiveness of such amendment and restatement by the terms thereof and (B) at the time of such effectiveness, each Non-Consenting Lender receives payment in full of the principal of and interest accrued on each Loan made by it and all fees owing to it or accrued for its account under this Agreement.

Notwithstanding anything herein to the contrary, the Administrative Agent may amend or modify this Agreement without the consent of any Lender or the Required Lenders (but with the consent of the Borrower) to correct an obvious error or any error or omission of a technical nature.

SECTION 9.03. Expenses; Indemnity; Damage Waiver

(a) Costs and Expenses. The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of counsel for the Administrative Agent, in connection with the syndication of the credit facilities provided for herein, the preparation and administration of this Agreement or any amendments, modifications or waivers of the provisions hereof (whether or not the transactions contemplated hereby or thereby shall be consummated) and (ii) all out of pocket expenses incurred by the Administrative Agent, any Issuing Bank or any Lender, including the fees, charges and disbursements of no more than one counsel for the Administrative Agent, and one counsel for the Lenders and the Issuing Banks (unless, as reasonably determined by such counsel for the Lenders and the Issuing Banks,

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representation of any Lender or Issuing Bank by such counsel would be inappropriate due to actual or potential conflicts of interest between such Lender or Issuing Bank, as the case may be, and any other Lender(s) and Issuing Bank(s), in which case such Lender or Issuing Bank, as applicable, shall have the right to employ separate counsel, at the Borrower's expense), in connection with the enforcement or protection of its rights in connection with this Agreement, including its rights under this Section, or in connection with the Loans made hereunder or Letters of Credit issued hereunder, including in connection with any workout, restructuring or negotiations in respect thereof.

(b) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent, each Lender and each Issuing Bank, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution, delivery, enforcement, performance or administration of this Agreement or any agreement or instrument contemplated hereby or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by any Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from (x) the gross negligence or willful misconduct of, or a material breach in bad faith of its obligations hereunder by, such Indemnitee or (y) any action, suit, proceeding or claim solely among Indemnitees that does not involve an act or omission of the Borrower or any of its Subsidiaries, other than any such action, suit, proceeding or claim against the Administrative Agent, the Swingline Lender or any Issuing Bank in its capacity, or in fulfilling its role, as Administrative Agent, the Swingline Lender or an Issuing Bank, respectively, hereunder.

(c) Reimbursement by Lenders. To the extent that the Borrower fails to pay any amount required to be paid by it to the Administrative Agent, any Issuing Bank or the Swingline Lender under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Administrative Agent, each Issuing Bank or the Swingline Lender, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent, such Issuing Bank or the Swingline Lender in its capacity as such.

(d) Waiver of Consequential Damages, Etc. To the extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions, any Loan or the use of the proceeds thereof or any Letter of Credit or the use thereof.

(e) Payments. All amounts due under this Section shall be payable promptly after written demand therefor.

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SECTION 9.04. Successors and Assigns

(a) Assignments Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of an Issuing Bank that issues any Letter of Credit), except that (i) the Borrower may not (unless permitted by Section 6.02) assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of an Issuing Bank that issues any Letter of Credit), Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Issuing Banks and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more Persons all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld) of:

(A) the Borrower, provided that the Borrower shall be deemed to have consented to an assignment unless, within ten Business Days after receipt of notice thereof by an officer of the Borrower that has been designated in writing by the Borrower to the Administrative Agent for this purpose (or, failing any such designation, by the treasurer or chief financial officer of the Borrower) and confirmation of such receipt by the Borrower in writing or by telephone, fax or other electronic communication to the Administrative Agent, it shall have objected thereto by written notice to the Administrative Agent or shall have indicated in writing to the Administrative Agent and the relevant assignor that it needs additional time or information to evaluate the request; provided further that no consent of the Borrower shall be required for an assignment to a Lender or an Affiliate of a Lender (in each case, other than a Defaulting Lender) or, if an Event of Default under clause (a) or (b) of Article VII (with respect to principal, interest or fees payable hereunder only) or an Event of Default with respect to the Borrower under clause (h) or (i) of Article VII has occurred and is continuing, any other assignee;

(B) the Administrative Agent; provided that no consent of the Administrative Agent shall be required for an assignment by a Lender to any Affiliate of such Lender or to another Lender (in each case, other than a Defaulting Lender);

(C) each Issuing Bank; and

(D) the Swingline Lender.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is

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delivered to the Administrative Agent) shall not be less than \$5,000,000 unless each of the Borrower and the Administrative Agent otherwise consent, provided that no such consent of the Borrower shall be required if an Event of Default with respect to the Borrower under clause (h) or (i) of Article VII has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement, except that this clause (B) shall not apply to the Swingline Lender's rights and obligations in respect of Swingline Loans made by it;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500 from the assignor or assignee; and

(D) the assignee, if it shall not be a Lender immediately prior to such assignment, shall deliver to the Administrative Agent an Administrative Questionnaire.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(v) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.12, 2.13, 2.14 and 9.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph (b) shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower (and such agency being solely for tax purposes), shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Loans and L/C Borrowings owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrower, the Administrative Agent, the Issuing Banks and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, the Issuing Banks and any Lender (with respect to its own interests only), at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b)(ii)(C) of this Section and any written consent to such assignment required by this paragraph (b), the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Section 2.15(d), 2.17(c), 2.18(d) or 9.03(c), the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have

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been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph (b).

(c) Participations. Any Lender may, without the consent of the Borrower, the Administrative Agent, the Issuing Banks or the Swingline Lender, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrower, the Administrative Agent, the Issuing Banks and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.12, 2.13 and 2.14 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (1) shall be subject to the requirements and limitations therein, including the requirements under Section 2.14(f) (it being understood that the documentation required under Section 2.14(f) shall be delivered to the participating Lender); (2) agrees to be subject to the provisions of Sections 2.15 and 2.16 as if it were an assignee under paragraph (b) of this Section; and (3) shall not be entitled to receive any greater payment under Section 2.12 or 2.14, with respect to any participation than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after such Participant acquired the applicable participation. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.15(d) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower (and such agency being solely for tax purposes), maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under this Agreement (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any Commitment, Loan, Letter of Credit, promissory note or other obligations under any Loan Document) except if additional payments under Sections 2.12 and 2.14 are requested with respect to such Participant and except to the extent that such disclosure is necessary to establish that such Commitment, Loan, Letter of Credit, promissory note or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(d) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any such pledge or assignment to a Federal Reserve Bank or any central bank having jurisdiction over such Lender, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

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(e) No Assignments to Certain Persons. Anything in this Section to the contrary notwithstanding, no Lender may assign or participate any interest in any Loan held by it hereunder to (i) the Borrower or any of its Affiliates or Subsidiaries without the prior consent of each Lender, (ii) any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (ii) or (iii) a natural person.

SECTION 9.05. Survival

All covenants, agreements, representations and warranties made by the Borrower herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and any other Loan Documents and the making of any Loans and any L/C Credit Extension, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, any Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Sections 2.12, 2.13, 2.14 and 9.03 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Obligations, the expiration or termination of the Letters of Credit or the Commitments or the termination of this Agreement or any provision hereof.

SECTION 9.06. Counterparts; Integration; Effectiveness

This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract between and among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page to this Agreement by fax or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 9.07. Severability

Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9.08. Right of Setoff

If an Event of Default shall have occurred and be continuing under clause (a) or (b) of Article VII, each Lender and each Issuing Bank is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or

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demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender or Issuing Bank to or for the credit or the account of the Borrower against any of and all the obligations of the Borrower then due and payable under this Agreement held by such Lender or Issuing Bank. The rights of each Lender and each Issuing Bank under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender or Issuing Bank may have.

SECTION 9.09. Governing Law; Jurisdiction; Etc

(a) Governing Law. This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) Submission to Jurisdiction. The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State court or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Administrative Agent, any Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against the Borrower or its properties in the courts of any jurisdiction.

(c) Waiver of Venue. The Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Service of Process. Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01(a). Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.10. WAIVER OF JURY TRIAL

EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

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SECTION 9.11. Headings

Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.12. Confidentiality

Each of the Administrative Agent, the Issuing Banks and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (g) with the consent of the Borrower or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) rightfully becomes available to the Administrative Agent, any Issuing Bank or any Lender on a nonconfidential basis from a source other than the Borrower; provided that should disclosure of any such confidential information be required or necessary by virtue of clause (c) of this sentence, to the extent permitted by law, any relevant Issuing Bank or Lender shall promptly notify the Borrower of same so as to allow the Borrower to seek a protective order or to take any other appropriate action; provided, further, that none of the Administrative Agent, the Issuing Banks and the Lenders shall be required to delay compliance with any request by any regulatory authority to disclose any such information so as to allow the Borrower to effect any such action. For the purposes of this Section, "Information" means all information received from the Borrower relating to the Borrower or its business, other than any such information that is available to the Administrative Agent, any Issuing Bank or any Lender on a nonconfidential basis prior to disclosure by the Borrower. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 9.13. USA PATRIOT Act

Each Lender hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with said Act.

SECTION 9.14. No Advisory or Fiduciary Responsibility

In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Borrower acknowledges and agrees, and acknowledges its Affiliates' understanding, that (a) the arranging and other services regarding this Agreement provided by the Administrative Agent, the Issuing

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Banks, the Swingline Lender, the Lenders and the Joint Lead Arrangers are arm's-length commercial transactions between the Borrower and its Affiliates, on the one hand, and the Administrative Agents, the Issuing Banks, the Swingline Lender, the Lenders and the Joint Lead Arrangers, on the other hand, (b) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent that it has deemed appropriate, (c) the Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents, (d) the Administrative Agent, the Issuing Banks, the Swingline Lender, the Lenders and the Joint Lead Arrangers each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower or any of its Affiliates, or any other Person, (e) none of the Administrative Agent, the Issuing Banks, the Swingline Lender, the Lenders and the Joint Lead Arrangers has any obligation to the Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents and (f) the Administrative Agent, the Issuing Banks, the Swingline Lender, the Lenders and the Joint Lead Arrangers and their respective Affiliates may be engaged, for their own accounts or the accounts of customers, in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and none of the Administrative Agent, the Issuing Banks, the Swingline Lender, the Lenders and the Joint Lead Arrangers has any obligation to disclose any of such interests to the Borrower or its Affiliates. To the fullest extent permitted by law, the Borrower hereby waives and releases any claims that it may have against the Administrative Agent, the Issuing Banks, the Swingline Lender, the Lenders and the Joint Lead Arrangers with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

SECTION 9.15 Payments Set Aside

To the extent that any payment by or on behalf of the Borrower is made to the Administrative Agent, any Issuing Bank or any Lender, or the Administrative Agent, any Issuing Bank or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent, such Issuing Bank or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and each Issuing Bank severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Effective Rate from time to time in effect.

[Remainder of page left blank intentionally]

Credit Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

C. R. BARD, INC.

By /s/ Todd C. Schermerhorn

Name: Todd C. Schermerhorn

Title: Senior Vice President and Chief Financial Officer

By /s/ Scott T. Lowry

Name: Scott T. Lowry

Title: Vice President and Treasurer

U.S. Federal Tax Identification No. for the Borrower:

221454160

[Signature Page to Credit Agreement]

LENDERS

JPMORGAN CHASE BANK, N.A.,
individually and as Administrative Agent

By /s/ James A. Knight

Name: James A. Knight

Title: Vice President

[Signature Page to Credit Agreement]

BANK OF AMERICA, N.A.,
individually and as Syndication Agent

By /s/ David J. Bardwil

Name: David J. Bardwil

Title: Senior Vice President

[Signature Page to Credit Agreement]

WELLS FARGO BANK, NATIONAL
ASSOCIATION

By /s/ Monique Gasque

Name: Monique Gasque

Title: Assistant Vice President

[Signature Page to Credit Agreement]

GOLDMAN SACHS BANK USA

By /s/ Mark Walton

Name: Mark Walton

Title: Authorized Signatory

[Signature Page to Credit Agreement]

BARCLAYS BANK PLC

By /s/ Vanessa A. Kurbatskiy

Name: Vanessa A. Kurbatskiy

Title: Vice President

[Signature Page to Credit Agreement]

ROYAL BANK OF CANADA

By /s/ Dean Sas

Name: Dean Sas

Title: Authorized Signatory

[Signature Page to Credit Agreement]

TD BANK, N.A.

By /s/ Todd Antico

Name: Todd Antico

Title: Senior Vice President

[Signature Page to Credit Agreement]

PNC BANK, NATIONAL ASSOCIATION

By /s/ Brendan L. Walsh

Name: Brendan L. Walsh

Title: Senior Vice President

[Signature Page to Credit Agreement]

THE ROYAL BANK OF SCOTLAND PLC

By /s/ William McGinty _____

Name: William McGinty

Title: Director

[Signature Page to Credit Agreement]

SUNTRUST BANK

By /s/ John Cappellari

Name: John Cappellari

Title: Vice President

[Signature Page to Credit Agreement]

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.

By /s/ Tadashi Kobayashi

Name: Tadashi Kobayashi

Title: Vice President

[Signature Page to Credit Agreement]

U.S. BANK NATIONAL ASSOCIATION

By /s/ Jennifer Hwang

Name: Jennifer Hwang

Title: Vice President

[Signature Page to Credit Agreement]

SOVEREIGN BANK

By /s/ Chris D. Wolfslayer _____

Name: Chris D. Wolfslayer

Title: Senior Vice President

[Signature Page to Credit Agreement]

HSBC BANK USA, NATIONAL ASSOCIATION

By /s/ Christopher Mendelsohn

Name: Christopher Mendelsohn

Title: Senior Vice President, Commercial
Executive

[Signature Page to Credit Agreement]

BANCA MONTE DEI PASCHI DI SIENA S.p.A.

By /s/ Renato Bassi

Name: Renato Bassi

Title: Senior Vice President & General Manager

By /s/ Brian R. Landy

Name: Brian R. Landy

Title: Vice President

[Signature Page to Credit Agreement]

SCHEDULE 1.01

Commitments

<u>Name of Lender</u>	<u>Commitment (\$)</u>
JPMorgan Chase Bank, N.A.	\$82,500,000
Bank of America, N.A.	\$82,500,000
Wells Fargo Bank, National Association	\$45,000,000
Goldman Sachs Bank USA	\$45,000,000
Barclays Bank PLC	\$45,000,000
Royal Bank of Canada	\$45,000,000
TD Bank, N.A.	\$30,000,000
PNC Bank, National Association	\$30,000,000
The Royal Bank of Scotland PLC	\$30,000,000
SunTrust Bank	\$30,000,000
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	\$30,000,000
U.S. Bank National Association	\$30,000,000
Sovereign Bank, N.A.	\$25,000,000
HSBC Bank USA, National Association	\$25,000,000
Banca Monte dei Paschi di Siena S.p.A.	\$25,000,000
Total:	\$600,000,000

Schedule 1.01

SCHEDULE 3.06(a)

Litigation

Any matters described on the Borrower's 2010 Annual Report on Form 10-K for the fiscal year ended December 31, 2010 or on the Borrower's Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2011 and June 30, 2011.

Schedule 3.06(a)

SCHEDULE 3.06(b)

Environmental Matters

Any matters described on the Borrower's Annual Report on Form 10-K for the fiscal year ended December 31, 2010 or on the Borrower's Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2011 and June 30, 2011.

Schedule 3.06(b)

SCHEDULE 3.06(c)

Intellectual Property Matters

Any matters described on the Borrower's Annual Report on Form 10-K for the fiscal year ended December 31, 2010 or on the Borrower's Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2011 and June 30, 2011.

Schedule 3.06(c)

EXHIBIT A

[Form of Assignment and Assumption]

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the “Assignment and Assumption”) is dated as of the Effective Date set forth below and is entered into by and between [*Insert name of Assignor*] (the “Assignor”) and [*Insert name of Assignee*] (the “Assignee”). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the “Credit Agreement”), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex I attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor’s rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including any letters of credit, guarantees, and swingline loans included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the “Assigned Interest”). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor: _____
2. Assignee: _____
[and is an Affiliate of [*identify Lender*]¹]
3. Borrower: C. R. Bard, Inc.
4. Administrative Agent: JPMorgan Chase Bank, N.A., as the administrative agent under the Credit Agreement
5. Credit Agreement: Credit Agreement dated as of October 12, 2011 between C. R. Bard, Inc., the Lenders parties thereto and JPMorgan Chase Bank, N.A., as Administrative Agent
6. Assigned Interest: _____

¹ Select as applicable.

Assignment and Assumption

Aggregate Amount of Commitment/Loans for all Lenders	Amount of Commitment/Loans Assigned	Percentage Assigned of Commitment/Loans ²
\$	\$	%
\$	\$	%
\$	\$	%

Effective Date: _____, 201_ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR

[NAME OF ASSIGNOR]

By: _____
Name:
Title:

ASSIGNEE

[NAME OF ASSIGNEE]

By: _____
Name:
Title:

² Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

Assignment and Assumption

[Consented to and]³ Accepted:

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

By _____
Name:
Title:

[Consented to:⁴

JPMORGAN CHASE BANK, N.A.,
as an Issuing Bank and the Swingline Lender

By _____
Name:
Title:

[NAME OF OTHER ISSUING BANK, IF ANY]
as Issuing Bank

By _____
Name:
Title:]]

[Consented to:

C. R. BARD, INC.

By _____
Name:
Title:]

³ To be added only if the consent of the Administrative Agent is required by the terms of Section 9.04(b) of the Credit Agreement.

⁴ To be added only if the consent of the Issuing Banks and the Swingline Lender is required by the terms of Section 9.04(b) of the Credit Agreement.

Assignment and Assumption

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement, any other Loan Document or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of the Credit Agreement or any other Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under the Credit Agreement or any other Loan Document.

1.2. Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it satisfies the requirements, if any, specified in the Credit Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 5.01 thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent, any Lender or any Issuing Bank, and (v) if it is a Non-U.S. Lender, attached to this Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement and the other Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement and the other Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by fax or other electronic transmission shall be effective as delivery of a manually executed counterpart of

Assignment and Assumption

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this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

Assignment and Assumption

EXHIBIT B-1

[Form of Opinion of Special New Jersey Counsel to the Borrower]

October 12, 2011

To the Lenders party to the
Credit Agreement referred to below and
JPMorgan Chase Bank, N.A., as Administrative Agent

Sir or Madam:

We have acted as special counsel in the State of New Jersey (the "State") to C. R. Bard, Inc. (the "Borrower") in connection with that certain Credit Agreement dated as of October 12, 2011 by and among the Borrower, certain lenders named therein and JPMorgan Chase Bank, N.A., as Administrative Agent (the "Credit Agreement"). For the purposes of rendering the opinions set forth herein, we have examined the executed Credit Agreement and such certificates of public officials, documents and records of the Borrower as we have deemed necessary as a basis for the opinions expressed below.

In our examination of the documents referred to above, and in rendering the opinions expressed below, we have assumed that:

(a) all documents submitted to us as originals are authentic and all documents submitted to us as copies or drafts conform to the originals or final copies thereof; and

(b) all natural persons signing the documents submitted to us had the requisite legal capacity to do so, and all signatures of all parties on all documents submitted to us are genuine.

We are qualified to practice law in the State and we do not purport to be experts on, and do not express any opinion as to, any laws of any jurisdiction other than the internal laws of the State. This opinion assumes, without expression of opinion, that the laws of the State apply to all matters covered hereby.

Based upon the foregoing and upon such investigation as we have deemed necessary, and subject to the exceptions and qualifications hereinafter set forth, we are of the opinion that:

1. The Borrower is a corporation which, based solely upon a Long Form Good Standing With Charter Documents Certificate issued on September 26, 2011 by the State of New Jersey, Department of Treasury, and a Short Form Good Standing Certificate issued on October 12, 2011 by the State of New Jersey, Department of Treasury, was duly incorporated and is validly existing and in good standing under the laws of the State. The Borrower has all requisite power and authority to carry on its business as now conducted.

2. The Borrower has the corporate power to enter into and perform its obligations under the Credit Agreement.

3. The Borrower has duly authorized, by all necessary corporate action, its execution and delivery of, and performance under, the Credit Agreement.

Opinion of Special New Jersey Counsel to the Borrower

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4. The Credit Agreement has been duly executed and delivered by the Borrower.

5. The execution and delivery of, and performance under, the Credit Agreement by the Borrower (i) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority (as defined in the Credit Agreement) in the State, and (ii) will not violate any applicable law or regulation in the State or the charter, by-laws or other organizational documents of the Borrower.

The foregoing expresses our legal opinions as to the matters set forth above based upon our professional knowledge and judgment. This opinion letter should not be construed as a guarantee that a court considering such matters will not rule in a manner contrary to the opinions set forth above. No opinions are to be implied or inferred beyond the opinions expressly stated herein.

We are not general counsel to the Borrower, and the Borrower is and has been represented by other counsel in this matter and in different matters. Consequently, we may not necessarily have knowledge of all relevant facts concerning the Borrower in rendering this opinion letter.

We undertake no obligation to inform you of any matters, whether of law or of fact, which may subsequently come to our attention or subsequently occur which affect in any way the opinions expressed herein and our opinions expressed herein are based upon our assumption that any court sitting in the State will adhere to existing judicial precedents.

This opinion letter is being furnished pursuant to Section 4.01(b) of the Credit Agreement, is furnished only to the addressees, their participants and permitted assignees, and is solely for their benefit in connection with the above transaction. This opinion letter may not be relied upon by any other person, firm or corporation, or for any other purpose, without our prior written consent.

Very truly yours,

Opinion of Special New Jersey Counsel to the Borrower

EXHIBIT B-2

[Form of Opinion of Special New York Counsel to the Borrower]

October 12, 2011

To (a) each of the lending institutions (the "Lenders") listed on Schedule I hereto which are parties on the date hereof to the Credit Agreement, dated as of October 12, 2011 (the "Credit Agreement"), among C. R. Bard, Inc. (the "Borrower"), the Lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent (in such capacity, the "Administrative Agent"), and (b) the Administrative Agent

Ladies and Gentlemen:

We have acted as counsel to the Borrower in connection with the preparation, execution and delivery of the Credit Agreement. Unless otherwise indicated, capitalized terms used but not defined herein shall have the respective meanings assigned to such terms in the Credit Agreement. This opinion is furnished to you pursuant to Section 4.01(b) of the Credit Agreement.

We have examined the Credit Agreement signed by the Borrower and by the Administrative Agent and certain of the Lenders and the promissory notes signed by the Borrower and delivered to certain Lenders on the date hereof (the "Closing Date Notes"). In addition, we have examined and have relied as to matters of fact upon, the documents delivered to you at the closing, and upon originals, or duplicates or certified or conformed copies, of such corporate records, agreements, documents and other instruments and such certificates or comparable documents of public officials and of officers and representatives of the Borrower, and have made such other investigations, as we have deemed relevant and necessary in connection with the opinions hereinafter set forth. In such examination, we have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as duplicates or certified or conformed copies and the authenticity of the originals of such latter documents. In addition, we have relied as to certain matters of fact upon the representations made in the Credit Agreement.

Based upon and subject to the foregoing, and subject to the qualifications and limitations set forth herein, we are of the opinion that:

1. The execution and delivery by the Borrower of the Credit Agreement and the Closing Date Notes, its borrowings in accordance with the terms of the Credit Agreement and performance of its payment obligations thereunder (a) will not result in any violation of, assuming that proceeds of borrowings will be used in accordance with the terms of the Credit Agreement, any federal or New York statute or any rule or regulation issued pursuant to any New York or federal statute or any order known to us issued by any court or governmental agency or body and (b) will not breach or result in a default under or result in the creation of any lien upon or security interest in the Borrower's properties pursuant to the terms of any indenture, agreement or instrument identified on Schedule II attached to this letter.

2. No consent, approval, authorization, order, filing, registration or qualification of or with any federal or New York governmental agency or body is required for the execution and

Opinion of Special New York Counsel to the Borrower

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delivery by the Borrower of the Credit Agreement or the Closing Date Notes, the borrowings by the Borrower in accordance with the terms of the Credit Agreement or the performance by the Borrower of its payment obligations under the Credit Agreement or the Closing Date Notes.

3. Assuming that the Credit Agreement is a valid and legally binding obligation of each of the parties thereto (other than the Borrower) and assuming that the (a) the Borrower is validly existing and in good standing under the laws of New Jersey and has duly authorized, executed and delivered the Credit Agreement and each Closing Date Note in accordance with its certificate of incorporation and by-laws, (b) execution, delivery and performance by the Borrower of the Credit Agreement and each Closing Date Note do not violate the laws of New Jersey or any other applicable laws (excepting the federal laws of the United States and the laws of the State of New York) and (c) execution, delivery and performance by the Borrower of the Credit Agreement and each Closing Date Note do not constitute a breach of or default under any agreement or instrument which is binding upon the Borrower (except that we do not make the foregoing assumption with respect to the agreements and instruments that are the subject of opinion paragraph 1 of this letter), the Credit Agreement and each Closing Date Note constitutes the valid and legally binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms.

4. The Borrower is not an "investment company" within the meaning of and subject to regulation under the Investment Company Act of 1940, as amended.

5. Assuming that the Borrower will comply with the provisions of the Credit Agreement relating to the use of proceeds, the execution and delivery of the Credit Agreement by the Borrower and the making of the Loans under the Credit Agreement will not violate Regulation T, U or X of the Board of Governors of the Federal Reserve System.

Our opinion in paragraph 3 above is subject to (i) the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, (ii) general equitable principles (whether considered in a proceeding in equity or at law) and (iii) an implied covenant of good faith and fair dealing.

We express no opinion with respect to:

(i) the effect of any provision of the Credit Agreement or any Closing Date Notes that is intended to permit modification thereof only by means of an agreement in writing signed by the parties thereto;

(ii) the effect of any provision of the Credit Agreement insofar as it provides that any Person purchasing a participation from a Lender or other Person may exercise set-off or similar rights with respect to such participation or that any Lender or other Person may exercise set-off or similar rights other than in accordance with applicable law;

(iii) the effect of any provision of the Credit Agreement imposing penalties or forfeitures;

(iv) the enforceability of any provision of the Credit Agreement to the extent that such provision constitutes a waiver of illegality as a defense to the performance of contract obligations; and

(v) the effect of any provision of the Credit Agreement relating to indemnification or exculpation in connection with violations of any securities laws or relating to indemnification,

Opinion of Special New York Counsel to the Borrower

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contribution or exculpation in connection with willful, reckless or criminal acts or gross negligence of the indemnified or exculpated Person or the Person receiving contribution.

In connection with the provisions of the Credit Agreement whereby the Borrower submits to the jurisdiction of the courts of the United States of America located in the State and County of New York, we note the limitations of 28 U.S.C. §§ 1331 and 1332 on subject matter jurisdiction of the federal courts. In connection with the provisions of the Credit Agreement that relate to forum selection (including, without limitation, any waiver of any objection to venue or any objection that a court is an inconvenient forum), we note that under NYCPLR §510 a New York state court may have discretion to transfer the place of trial, and under 28 U.S.C. § 1404(a) a United States district court has discretion to transfer an action from one federal court to another.

With respect to matters of New Jersey law, we understand that you are relying on the opinion of Drinker Biddle & Reath LLP dated the date hereof.

We do not express any opinion herein concerning any law other than the law of the State of New York and the federal law of the United States.

This opinion letter is rendered to you in connection with the above described transactions. This opinion letter may not be relied upon by you for any other purpose, or relied upon by, or furnished to, any other person, firm or corporation without our prior written consent, except that this opinion letter may be furnished, but may not be relied upon, without our prior written consent (i) in connection with any proceedings relating to the Credit Agreement or the enforcement thereof, (ii) to accountants and counsel for any Lender or the Administrative Agent, (iii) to bank and insurance company examiners and (iv) to any person that purchases an interest in or participation in the Credit Agreement.

Very truly yours,

SIMPSON THACHER & BARTLETT LLP

Opinion of Special New York Counsel to the Borrower

LENDERS

JPMorgan Chase Bank, N.A.
Bank of America, N.A.
Wells Fargo Bank, National Association
Goldman Sachs Bank USA
Barclays Bank PLC
Royal Bank of Canada
TD Bank, N.A.
PNC Bank, National Association
The Royal Bank of Scotland PLC
SunTrust Bank
The Bank of Tokyo-Mitsubishi UFJ, Ltd.
U.S. Bank National Association
Sovereign Bank, N.A.
HSBC Bank USA, National Association
Banca Monte dei Paschi di Siena S.p.A.

Opinion of Special New York Counsel to the Borrower

AGREEMENTS AND INSTRUMENTS

Indenture, dated as of December 1, 1996 between C. R. Bard, Inc. and The Chase Manhattan Bank, N.A., as Trustee

Indenture, dated as of December 20, 2010, between C. R. Bard, Inc. and Wells Fargo Bank, National Association, as Trustee

First Supplemental Indenture, dated as of December 20, 2010, between C. R. Bard, Inc. and Wells Fargo Bank, National Association, as Trustee

Opinion of Special New York Counsel to the Borrower

EXHIBIT C

[Form of Opinion of Special New York Counsel to JPMCB]

October 12, 2011

To the Lenders party to the Credit Agreement referred to below and JPMorgan Chase Bank, N.A., as Administrative Agent

Ladies and Gentlemen:

We have acted as special New York counsel to JPMorgan Chase Bank, N.A. (“JPMCB”) in connection with the Credit Agreement (the “Credit Agreement”) dated as of October 12, 2011, between C. R. Bard, Inc. (the “Borrower”), the lenders party thereto and JPMCB, as Administrative Agent. Terms defined in the Credit Agreement are used herein as defined therein. This opinion letter is being delivered pursuant to Section 4.01(c) of the Credit Agreement.

In rendering the opinions expressed below, we have examined the Credit Agreement. In our examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with the authentic original documents of all documents submitted to us as copies. When relevant facts were not independently established, we have relied upon representations made in or pursuant to the Credit Agreement. We have also assumed that the Credit Agreement has been duly authorized by, has been duly executed and delivered by, and (except, to the extent set forth below, as to the Borrower) constitutes legal, valid, binding and enforceable obligations of, all of the parties thereto, that all signatories thereto have been duly authorized and that all such parties are duly organized and validly existing and have the power and authority (corporate or other) to execute, deliver and perform the Credit Agreement.

Based upon and subject to the foregoing and subject also to the comments and qualifications set forth below, and having considered such questions of law as we have deemed necessary as a basis for the opinions expressed below, we are of the opinion that the Credit Agreement constitutes the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or other similar laws relating to or affecting the rights of creditors generally and except as the enforceability of the Credit Agreement is subject to the application of general principles of equity (regardless of whether considered in a proceeding in equity or at law), including (a) the possible unavailability of specific performance, injunctive relief or any other equitable remedy and (b) concepts of materiality, reasonableness, good faith and fair dealing.

The foregoing opinions are subject to the following comments and qualifications:

(A) The enforceability of Section 9.03 of the Credit Agreement may be limited by (i) laws rendering unenforceable indemnification contrary to Federal or state securities laws and the public policy underlying such laws and (ii) laws limiting the enforceability of provisions exculpating or exempting a party from, or requiring indemnification of a party for, liability for its own action or inaction, to the extent the action or inaction involves gross negligence, recklessness, willful misconduct or unlawful conduct.

Opinion of Special New York Counsel to JPMCB

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(B) The enforceability of provisions in the Credit Agreement to the effect that terms may not be waived or modified except in writing may be limited under certain circumstances.

(C) We express no opinion as to (i) the effect of the laws of any jurisdiction in which any Lender is located (other than the State of New York) that limit the interest, fees or other charges such Lender may impose for the loan or use of money or other credit, (ii) the last sentence of Section 2.15(d) of the Credit Agreement, (iii) the fourth sentence of Section 9.04(c) of the Credit Agreement, (iv) Section 9.08 of the Credit Agreement, (v) the first sentence of Section 9.09(b) of the Credit Agreement, insofar as such sentence relates to the subject matter-jurisdiction of the United States District Court for the Southern District of New York to adjudicate any controversy related to the Credit Agreement or (vi) the waiver of inconvenient forum in Section 9.09(c) of the Credit Agreement, with respect to proceedings in the United States District Court for the Southern District of New York.

The foregoing opinions are limited to matters involving the Federal laws of the United States of America and the law of the State of New York, and we do not express any opinion as to the laws of any other jurisdiction.

At the request of our client, this opinion letter is, pursuant to Section 4.01(c) of the Credit Agreement, provided to you by us in our capacity as special New York counsel to JPMCB and may not be relied upon by any person for any purpose other than in connection with the transactions contemplated by the Credit Agreement without, in each instance, our prior written consent.

Very truly yours,

WJM/MJB

Opinion of Special New York Counsel to JPMCB

C. R. BARD, INC. AND SUBSIDIARIES

Exhibit 12.1 - Computation of Ratio of Earnings to Fixed Charges

	Nine Months Ended September 30, 2011	Years Ended December 31,				
		2010	2009	2008	2007	2006
(dollars in millions)						
Earnings from continuing operations before taxes	\$368.8	\$717.7	\$671.5	\$552.7	\$579.4	\$396.8
Add (Deduct):						
Fixed charges	31.4	18.4	17.5	17.4	16.6	21.8
Undistributed earnings of equity investments	(2.6)	(3.6)	(2.3)	(1.9)	(0.7)	(0.2)
Earnings available for fixed charges	<u>\$397.6</u>	<u>\$732.5</u>	<u>\$686.7</u>	<u>\$568.2</u>	<u>\$595.3</u>	<u>\$418.4</u>
Fixed charges:						
Interest, including amounts capitalized ⁽¹⁾	\$ 27.1	\$ 12.7	\$ 11.8	\$ 12.1	\$ 11.9	\$ 16.9
Proportion of rent expense deemed to represent interest factor	4.3	5.7	5.7	5.3	4.7	4.9
Fixed charges	<u>\$ 31.4</u>	<u>\$ 18.4</u>	<u>\$ 17.5</u>	<u>\$ 17.4</u>	<u>\$ 16.6</u>	<u>\$ 21.8</u>
Ratio of earnings to fixed charges	<u>12.66</u>	<u>39.81</u>	<u>39.24</u>	<u>32.66</u>	<u>35.86</u>	<u>19.19</u>

⁽¹⁾ Interest related to unrecognized tax benefits is included as income tax expense and not included in fixed charges.

Certification of Chief Executive Officer

I, Timothy M. Ring, certify that:

1. I have reviewed this quarterly report on Form 10-Q of C. R. Bard, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 26, 2011

/s/ Timothy M. Ring

Timothy M. Ring
Chief Executive Officer

Certification of Chief Financial Officer

I, Todd C. Schermerhorn, certify that:

1. I have reviewed this quarterly report on Form 10-Q of C. R. Bard, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 26, 2011

/s/ Todd C. Schermerhorn

Todd C. Schermerhorn
Senior Vice President and Chief Financial Officer

SECTION 1350 CERTIFICATIONS

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of C. R. Bard, Inc. on Form 10-Q for the period ended September 30, 2011, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Timothy M. Ring, Chairman and Chief Executive Officer of C. R. Bard, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of C. R. Bard, Inc.

/s/ Timothy M. Ring

Name: Timothy M. Ring

Date: October 26, 2011

SECTION 1350 CERTIFICATIONS
CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of C. R. Bard, Inc. on Form 10-Q for the period ended September 30, 2011, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Todd C. Schermerhorn, Senior Vice President and Chief Financial Officer of C. R. Bard, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of C. R. Bard, Inc.

/s/ Todd C. Schermerhorn

Name: Todd C. Schermerhorn

Date: October 26, 2011