

discounting which for financial reporting purposes is consistent with generally accepted accounting principles) of the rental payments during the remaining term of any Sale and Leaseback Transaction for which the lessee is obligated (including any period for which such lease has been extended), such rental payments not to include amounts payable by the lessee for maintenance and repairs, insurance, taxes, assessments and similar charges and for contingent rents (such as those based on sales) In case of any Sale and Leaseback Transaction which is terminable by the lessee upon the payment of a penalty, such rental payments shall also include such penalty, but no rent shall be considered as required to be paid under such lease subsequent to the first date upon which it may be so terminated

"BOARD OF DIRECTORS" means the Board of Directors of the Guarantor, or any committee of such Board of Directors, or any committee of officers of the Guarantor, duly authorized to take any action under the indenture

"CONSOLIDATED TANGIBLE ASSETS" means, as of any date, the total amount of assets of the Guarantor and its Subsidiaries on a consolidated basis at the end of the fiscal quarter immediately preceding that date, as determined under generally accepted accounting principles, less (a) Intangible Assets and (b) appropriate adjustments on account of minority interests of other persons holding equity investments in Subsidiaries, in the case of each of clauses (a) and (b) above as reflected on the consolidated balance sheet of the Guarantor and its Subsidiaries as of the end of the fiscal quarter immediately preceding that date

"FUNDED DEBT" means

- any Indebtedness maturing by its terms more than one year from the date of its issuance, including any Indebtedness renewable or extendible at the option of the obligor to a date later than one year from the date of its original issuance, excluding any portion of Indebtedness which is included in current liabilities, and

- any Indebtedness which may be payable from the proceeds of Funded Debt as defined above under the terms of the Funded Debt

"GUARANTOR" means Cooper Industries, Ltd , a Bermuda company, until a successor replaces such party pursuant to the indenture and, thereafter, shall mean such successor

"INDEBTEDNESS" of any corporation means all indebtedness for money borrowed which is created, assumed, incurred or guaranteed in any manner by such corporation or for which such corporation is otherwise responsible or liable

"INTANGIBLE ASSETS" means all goodwill, patents, trademarks, service marks, trade names, copyrights, and all other items that would be treated as intangibles on the consolidated balance sheet of the Guarantor and its Subsidiaries prepared under generally accepted accounting principles

"LIEN" means any mortgage, pledge, security interest, lien, charge or other encumbrance

"PRINCIPAL PROPERTY" means

- any manufacturing plant located in the continental United States, or manufacturing equipment located in any such manufacturing plant (together with the land on which such plant is erected and fixtures

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